

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISCLOSEABLE TRANSACTION

On 16 October 2012, Guojia JV entered into the Equity Transfer Agreement with the Purchaser to dispose of its interest in the entire registered capital of Chengdu Shengshi at a total consideration of RMB680,400,000 (equivalent to approximately HK\$832,129,000) including the partial repayment of the Shareholder's Loan in the sum of RMB573,511,474.25 (equivalent to approximately HK\$701,405,000). Upon Completion, the Company will cease to have any interest in Chengdu Shengshi which will cease to be a subsidiary of the Company and the assets and liabilities and profits and losses of Chengdu Shengshi will no longer be consolidated into the consolidated financial statements of the Company.

GENERAL

As the applicable percentage ratio exceeds 5% but is below 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules.

1. THE EQUITY TRANSFER AGREEMENT

1.1 Date

16 October 2012

1.2 Parties

- (i) Vendor: Guojia JV
- (ii) Purchaser: 成都希威房地產開發有限公司 (Chengdu Hillwest Development Company Limited)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

1.3 Assets to be Disposed of

Guojia JV's interest in the entire registered capital of Chengdu Shengshi

1.4 Consideration

The total consideration for the Disposal amounts to RMB680,400,000 (equivalent to approximately HK\$832,129,000), comprising a sum of RMB106,888,525.75 (equivalent to approximately HK\$130,725,000) being the consideration for the disposal of the entire registered capital of Chengdu Shengshi (“Share Consideration”) and a sum of RMB573,511,474.25 (equivalent to approximately HK\$701,405,000) being partial repayment of the Shareholder’s Loan (“Loan Consideration”).

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

- (i) a sum of RMB106,888,525.75 (equivalent to approximately HK\$130,725,000) in full satisfaction of the Share Consideration shall be paid by the Purchaser to Guojia JV and a sum of RMB173,111,474.25 (equivalent to approximately HK\$211,715,000) of the Loan Consideration shall be caused to be paid by Chengdu Shengshi to Guojia JV, (a) within 5 working days following completion of the SAIC Registration and verification by the Purchaser of Chengdu Shengshi’s title to the Land in a condition as stipulated in the Equity Transfer Agreement, or (b) on the fifth day immediately after the expiry of 30 days from the date of signing the Equity Transfer Agreement should the Purchaser fail to notify Guojia JV to proceed with the SAIC Registration after Guojia JV has prepared the relevant documents pursuant to the Equity Transfer Agreement;
- (ii) a sum of RMB70,000,000 (equivalent to approximately HK\$85,610,000) of the Loan Consideration shall be caused to be paid by Chengdu Shengshi to Guojia JV within 8 working days following the expiry of the Performance Bond following payment of the amounts stated in sub-paragraph (i) of this paragraph 1.4;
- (iii) a sum of RMB260,000,000 (equivalent to approximately HK\$317,980,000) of the Loan Consideration shall be caused to be paid by Chengdu Shengshi to Guojia JV within 5 working days following the release of the charge on one of the land parcels of the Land, the date of payment shall not be earlier than 11 January 2013;
- (iv) a sum of RMB50,749,849 (equivalent to approximately HK\$62,067,000) of the Loan Consideration shall be caused to be paid by Chengdu Shengshi to Guojia JV within 5 working days following the release of the said charge referred to in sub-paragraph (iii) of this paragraph 1.4, the date of payment shall not be earlier than 30 June 2013;
- (v) a sum of RMB18,014,935 (equivalent to approximately HK\$22,032,000) of the Loan Consideration shall be caused to be paid by Chengdu Shengshi to Guojia JV after the expiry of 24 months following from the Completion Date and in the absence of any claims from any creditors (apart from the Shareholder’s Loan) or any other disputes and completion of the construction-in-progress with the issuance of final acceptance documents pursuant to the Equity Transfer Agreement; and
- (vi) a sum of RMB1,635,216 (equivalent to approximately HK\$2,000,000) being equivalent to the amount of quality warranty payment made under the various contracts concerning the construction-in-progress shall be caused to be paid by Chengdu Shengshi to Guojia JV by way of repayment of the Shareholder’s Loan after the expiry of the relevant warranty period(s) and fulfillment of Guojia JV’s warranty obligations pursuant to the Equity Transfer Agreement.

The Consideration was determined following arm's length negotiations between the parties by reference to the aggregate sum of RMB670,839,000 (equivalent to approximately HK\$820,436,000) representing the net project value of the Group's investments in Chengdu Shengshi, being the land premium and development costs incurred as well as the accumulated losses incurred by Chengdu Shengshi up to 30 September 2012 after adjusting for the Shareholder's Loan in the sum of RMB2,273,411.79 (equivalent to approximately HK\$2,780,000) as described in paragraph 1.5 headed "Guojia JV's Certain Rights and Obligations" below. The Consideration represents a premium of approximately RMB9,561,000 (equivalent to approximately HK\$11,693,000). The Directors consider that the Consideration is fair and reasonable.

1.5 Guojia JV's Certain Rights and Obligations

Guojia JV agrees, among other things, to:

- (i) procure the fulfillment of the following matters with the provision of relevant supporting documents within 7 working days after the provision of the Performance Bond by the Purchaser:
 - a. repaying in full all the debts of Chengdu Shengshi except for the Shareholder's Loan;
 - b. except for the Land, the construction-in-progress and the approved project name of "La Concorde", separating all the other assets of Chengdu Shengshi from the accounts of Chengdu Shengshi and bearing all costs associated therewith;
 - c. terminating all such contracts and agreements stipulated in the Equity Transfer Agreement;
 - d. settling all land transaction taxes, employees income withholding taxes, stamp duties accrued up to the date of the Equity Transfer Agreement and all land usage taxes accrued up to 30 June 2012;
- (ii) together with the Purchaser prepare all relevant documents for the SAIC Registration within 10 working days from the date of signing the Equity Transfer Agreement;
- (iii) arrange to release a charge created as security for a bank loan to Guojia JV on one of the land parcels of the Land; and
- (iv) complete the construction-in-progress and obtain final acceptance documents before 30 June 2013.

As to the balance of the Shareholder's Loan in the sum of RMB2,273,411.79 (equivalent to approximately HK\$2,780,000), Guojia JV shall be entitled to:

- (i) a sum of RMB273,411.79 (equivalent to approximately HK\$334,000) being the account receivables by Chengdu Shengshi comprising electricity deposit, new materials fund and cement fund, of which the amount as and when received by Chengdu Shengshi shall be returned to Guojia JV as partial repayment of the Shareholder's Loan; and
- (ii) a sum of RMB2,000,000 (equivalent to approximately HK\$2,446,000) being the amount of investment in certain trust products by Chengdu Shengshi shall belong to Guojia JV, of which the amount as and when received by Chengdu Shengshi upon maturity or early redemption (as the case may be) of the trust products shall be returned to Guojia JV as partial repayment of the Shareholder's Loan in accordance with the Equity Transfer Agreement.

1.6 Purchaser's Certain Rights and Obligations

The Purchaser agrees, among other things, to:

- (i) provide Guojia JV with the Performance Bond within 10 working days from the date of signing the Equity Transfer Agreement to guarantee its satisfactory performance of the Equity Transfer Agreement; and
- (ii) arrange for an intermediate bank to provide Chengdu Shengshi with a loan for Chengdu Shengshi to repay the Shareholder's Loan and bear all costs associated therewith.

With the mutual consent of both parties, the Purchaser may assign all its rights and obligations under the Equity Transfer Agreement to a nominee which is an associated entity of the Purchaser, provided that the nominee and its ultimate beneficial owner(s) must be third parties independent of the Company and of the Company's connected persons (as defined in the Listing Rules).

1.7 Completion

Within 5 working days following receipt of the Purchaser's notification to proceed with the SAIC Registration together with bank's confirmation of payment of the amounts stated in sub-paragraph (i) of paragraph 1.4 headed "Consideration" above, Guojia JV shall complete the SAIC Registration.

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 THE PURCHASER

To the Directors' best knowledge, the principal business activity of the Purchaser is property development in Chengdu, PRC.

4. INFORMATION ON CHENGDU SHENGSHI

Chengdu Shengshi is a privately-owned enterprise established in the PRC on 19 November 2009 with a current registered and paid-up capital of RMB50,000,000 (equivalent to approximately HK\$61,150,000) which is wholly owned by Guojia JV. As at 30 September 2012, Guojia JV has advanced a shareholder's loan to Chengdu Shengshi in the aggregate sum of RMB575,784,886.04 (equivalent to approximately HK\$704,185,000).

The principal assets of Chengdu Shengshi comprise the Land under the Land Use Right Contracts with planned GFA of 249,000 sqm residential property. As at the date of this announcement, construction works of display units and clubhouse have been completed. The foundation works of Phase I with a GFA about 14,000 sqm are currently in progress.

The financial highlights and consolidated operating results of Chengdu Shengshi are as follows:

	9 months ended 30 September 2012	12 months ended 31 December 2011	12 months ended 31 December 2010
	RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000 (Audited)
Turnover	-	-	-
Loss Before Tax	(2,382)	(739)	(2,944)
Net Loss	(2,382)	(739)	(2,944)
	As at 30 September 2012	As at 31 December 2011	As at 31 December 2010
	RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000 (Audited)
Total Assets	620,163	663,608	573,306
Total Liabilities	576,237	617,300	526,259
Net Assets	43,926	46,308	47,047

5. FINANCIAL EFFECT ON THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Company will cease to have any interest in Chengdu Shengshi which will cease to be a subsidiary of the Company and the assets and liabilities and profits and losses of Chengdu Shengshi 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 RMB9,561,000 (equivalent to approximately HK\$11,693,000). There would be a total sum of RMB680,400,000 (equivalent to approximately HK\$832,129,000) 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

Despite government measures in the PRC for over two years in the past to regulate the property market, the Company has continued to enjoy strong business growth. After adjusting for the spin-off of Qualipak International Holdings Limited on 12 July 2012, turnover of the Group in 2011 reached HK\$4,857 million, over two times the amount of HK\$1,526 million in 2010. Gross profit during the same period increased to HK\$1,317 million from HK\$244 million. The Directors attribute the success of the Company to, among other things, its strategy of maintaining a strong cash position coupled with the optimization of the overall profit potential of its property portfolio. The Disposal was in line with the Company's strategy to build up a strong cash reserve to underpin future growth opportunities.

The Directors (including the Independent Non-executive Directors) consider that the terms of the Equity Transfer 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 5% but is below 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules.

8. DEFINITIONS

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

“Board”	the board of Directors
“Chengdu Shengshi”	成都盛世經緯房地產投資有限公司(Chengdu Shengshi Jingwei Real Estate Investment Company Limited), and wholly owned by 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
“Completion”	completion of the SAIC Registration with the issuance of a renewed business licence certificate
“Completion Date”	the date of Completion
“Consideration”	the consideration for the Disposal set out in paragraph 1.4 headed “Consideration” comprising the Share Consideration and the Loan Consideration
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal by Guojia JV of its interest in the entire registered capital of Chengdu Shengshi
“Equity Transfer Agreement”	the equity transfer agreement dated 16 October 2012 entered into between Guojia JV and the Purchaser for the Disposal
“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-Zhide Property Company Limited), a 51% owned indirect subsidiary of the Company with the remaining 49% being owned by 四川省國嘉地產有限公司(Sichuan Guojia Property Company Limited)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Land”	the state-owned land use right over a low-density residential site comprising three land parcels with a total site area of 430 mu located in Huayuan Town, Xinjin County, Chengdu (成都新津縣花源鎮) and designated as Groups 7 and 8, Baiyun Village, Huayuan Town, Xinjin County, Chengdu (成都新津縣花源鎮白雲村七、八組), one of the land parcels is subject to a charge created on 28 December 2010

“Land Use Right Contracts”	3 contracts for the conveyance of state-owned land use right entered into between Chengdu Shengshi and Xinjin Land Resources Bureau, Chengdu pursuant to which Chengdu Shengshi 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
“Performance Bond”	a performance bond in a sum of RMB68,000,000 (equivalent to approximately HK\$83,164,000) with a validity period of 6 months shall be provided to Guojia JV by the Purchaser
“PRC”	the People’s Republic of China
“Purchaser”	成都希威房地產開發有限公司 (Chengdu Hillwest Development Company Limited), a company established in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“SAIC Registration”	the registration with the SAIC of the transfer of Guojia JV’s interest in the entire registered capital of Chengdu Shengshi to the Purchaser or its nominee (as the case may be)
“Shareholder(s)”	holder(s) of shares of the Company
“Shareholder’s Loan”	the shareholder’s loan owing by Chengdu Shengshi to Guojia JV from time to time and amounted in the aggregate to RMB575,784,886.04 (equivalent to approximately HK\$704,185,000) as at 30 September 2012, which is non-interest bearing and repayable on demand
“sqm”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

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

Hong Kong, 16 October 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. 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 has been converted to HK\$ at the rate of RMB1 = HK\$1.223 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.