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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)

VERY SUBSTANTIAL DISPOSAL

On 2 June 2015 (after trading hours), Marvel Leader, the Purchaser and the Purchaser's Guarantor entered into the Agreement, pursuant to which (a) Marvel Leader conditionally agreed to sell, and the Purchaser conditionally agreed to acquire the Sale Shares, and (b) Marvel Leader conditionally agreed to assign, and the Purchaser conditionally agreed to take the assignment of all benefits and interests of and in the Shareholder's Loan, at a total consideration of RMB5,500,000,000 (equivalent to approximately HK\$6,968,500,000). Upon Completion, the Company will cease to have any interest in the Target Group, all members of which will cease to be subsidiaries of the Company.

GENERAL

As the applicable percentage ratio exceeds 75%, the Disposal constitutes a very substantial disposal and is subject to announcement and the shareholders' approval requirements under the Listing Rules. A circular relating to, among other things, further details of the Agreement and the notice of SGM will be despatched to shareholders of the Company on or before 23 June 2015.

1. THE AGREEMENT

1.1 Date

2 June 2015 (after trading hours)

1.2 Parties

- | | |
|-----------------------------------|--------------------------------------|
| (a) Vendor: | Marvel Leader |
| (b) Purchaser: | Shengyu (BVI) Limited |
| (c) Purchaser's Guarantor: | Evergrande Real Estate Group Limited |

The Purchaser's Guarantor guarantees the Purchaser's performance of obligations and undertakings under the Agreement. The Purchaser's Guarantor undertakes that if the Purchaser fails to perform all of its obligations and undertakings under the Agreement in accordance with the terms of the Agreement (including but not limited to the payment of Consideration and interest), all such obligations shall be assumed and performed by the Purchaser's Guarantor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser, the Purchaser's Guarantor and the controlling shareholder(s) of the Purchaser's Guarantor are Independent Third Parties.

1.3 Assets to be disposal of

- (a) Marvel Leader's interest in the Sale Shares, representing 92% of the entire issued share capital of Starhigh, together with all rights attached, accrued or accruing thereto (including the Sole Distribution Entitlement); and
- (b) Marvel Leader's benefits and interests of and in the Shareholder's Loan.

1.4 Consideration

The Consideration shall be RMB5,500,000,000 (equivalent to approximately HK\$6,968,500,000).

The Consideration shall be payable in cash or by bank transfer (or by any other method as may be agreed by Marvel Leader and the Purchaser) by or on behalf of the Purchaser to Marvel Leader or as it may direct in the following manner:

- (i) RMB550,000,000 (equivalent to approximately HK\$696,850,000), being 10% of the Consideration, as deposit, shall be payable within 5 Business Days after the date of signing of the Agreement (“**Deposit**”);
- (ii) RMB1,650,000,000 (equivalent to approximately HK\$2,090,550,000), being 30% of the Consideration, shall be payable on the Completion Date;
- (iii) RMB1,650,000,000 (equivalent to approximately HK\$2,090,550,000), being 30% of the Consideration, shall be payable within 6 months after the date of signing of the Agreement (or such other date as Marvel Leader and the Purchaser shall agree in writing); and
- (iv) RMB1,650,000,000 (equivalent to approximately HK\$2,090,550,000), being the remaining 30% of the Consideration, shall be payable within 9 months after the date of signing of the Agreement (or such other date as Marvel Leader and the Purchaser shall agree in writing).

The Consideration was determined following arm's length negotiations on normal commercial terms between the parties to the Agreement by reference to the adjusted unaudited consolidated net asset value of the Target Group attributable to Marvel Leader of approximately HK\$6,289,026,000 as at 31 March 2015 after taking into account the effects of the preliminary result of the valuation of the properties of the Target Group performed by an independent firm of professional valuers, the Sole Distribution Entitlement attached to the Sale Shares and on the assumption that the subscription of Starhigh Shares by Mr. Tsang having been completed pursuant to the terms of the Investment Agreement and taking into account the amount of the Shareholder's Loan which is analysed as follows:

	HK\$'000
Unaudited consolidated net asset value of the Target Group as at 31 March 2015	7,302,281
Adjustment on revaluation of properties (net of deferred tax)	<u>536,531</u>
Adjusted unaudited consolidated net asset value of the Target Group	7,838,812
Less: Non-controlling interests of the Target Group	(135,002)
Add: Proceeds from subscription of Starhigh Shares by Mr. Tsang	<u>624,000</u>
Adjusted unaudited consolidated net asset value of the Target Group attributable to equity holders on the assumption that the subscription of Starhigh Shares by Mr. Tsang has been completed pursuant to the terms of the Investment Agreement	8,327,810
Less: Sole Distribution Entitlement	<u>(3,230,850)</u>
Adjusted unaudited consolidated net asset value of the Target Group attributable to equity holders (ex-dividend)	<u>5,096,960</u>
60% of the adjusted unaudited consolidated net asset value of the Target Group attributable to Marvel Leader (ex-dividend)	3,058,176
Add: Sole Distribution Entitlement	<u>3,230,850</u>
Adjusted unaudited consolidated net asset value of the Target Group attributable to Marvel Leader	6,289,026
Shareholder's Loan	<u>627,736</u>
Total value of Marvel Leader's interest in the Target Group after adjustment for the revaluation of properties	6,916,762
Premium	<u>51,738</u>
Consideration	<u>6,968,500</u>

The Directors consider that, taking into account of the effects of the preliminary result of the valuation of the properties of the Target Group performed by an independent firm of professional valuers, the Sole Distribution Entitlement attached to the Sale Shares and the assumption that the subscription of Starhigh Shares by Mr. Tsang having been completed pursuant to the terms of the Investment Agreement, the Consideration, representing a premium of approximately HK\$51,738,000 or 0.7% over the value of Marvel Leader's interest in the Target Group of approximately HK\$6,916,762,000 as adjusted, is fair and reasonable.

1.5 Conditions Precedent

Completion is subject to and conditional upon the fulfillment of the following conditions:

- (a) if it is required under the Listing Rules or by the Stock Exchange, the Company shall obtain all necessary approval by its shareholders in general meeting by way of an ordinary resolution approving the Agreement and the transactions contemplated thereunder (where applicable);
- (b) Marvel Leader shall obtain all necessary consent from any third parties in relation to the Disposal (where applicable);
- (c) if it is required under the Listing Rules or by the Stock Exchange, the Purchaser's ultimate holding company shall obtain all necessary approval by its shareholders in general meeting by way of an ordinary resolution approving the Agreement and the transactions contemplated thereunder (where applicable);
- (d) the Purchaser shall obtain all necessary consent from any third parties in relation to the Disposal (where applicable);

- (e) each party to the Agreement shall fulfill and comply with all relevant regulatory requirements (including but not limited to the Listing Rules) in connection with the transactions contemplated under the Agreement; and
- (f) the Purchaser is satisfied with the result of its due diligence review on the Target Group.

Upon signing of the Agreement, Marvel Leader and the Purchaser shall use their respective best endeavours to procure the fulfillment of all the Conditions Precedent as soon as practicable and in any event by no later than the date falling on the expiry of the 6-month period from the date of the Agreement.

In the event that any of the Conditions Precedent (except for the Condition Precedent set out in paragraph (f) above which shall be completed within 15 Business Days from the date of signing of the Agreement) are not fulfilled by the date falling on the expiry of the 6-month period from the date of the Agreement, unless Marvel Leader and the Purchaser otherwise agree, the Agreement shall be terminated automatically, upon which Marvel Leader shall return the Deposit (without interest) to the Purchaser, and repay such amount (if any) that the Purchaser may incur in connection with the execution of the Agreement (the sum of which shall be mutually agreed by Marvel Leader and the Purchaser) and neither party shall have any further liability to the other party as a result of such termination.

1.6 Termination

- (a) If the Purchaser is not satisfied with the result of its due diligence review on the Target Group, the Purchaser shall be entitled to unilaterally early terminate the Agreement whereupon Marvel Leader shall return the Deposit (without interest) to the Purchaser within 5 Business Days after such termination, in which case neither party shall have any further liability to the other party as a result of such termination.
- (b) The Agreement may be terminated as a result of the occurrence of any one of the following events: (i) the parties to the Agreement having reached a mutual agreement in writing in respect of the termination; (ii) the Agreement having been performed in full; (iii) as in accordance with applicable law; or (iv) the Agreement not being capable of performance for more than 3 months as a result of a force majeure event and the parties to the Agreement having agreed in writing confirming termination of the Agreement.
- (c) Unless the Agreement otherwise provides, if any party commits a breach of its obligations under the Agreement, the defaulting party shall be liable to the non-defaulting party for all losses and damages (including pecuniary and non-pecuniary losses and damages) that the non-defaulting party may suffer as a result of such breach.

1.7 Investment Agreement and Shareholders' Deed

- (a) During the period from the date of the Agreement to the Completion Date, Marvel Leader shall liaise with Mr. Tsang and Happy Yield Holdings Limited (which is wholly-owned by Mr. Tsang) on a postponement of the completion date for subscription of the first tranche of Starhigh Shares pursuant to the Investment Agreement to a date within 1 month after the Completion Date. The Purchaser agrees to assume all the obligations and liabilities of Marvel Leader under the Investment Agreement and the Shareholders' Deed in place of Marvel Leader by way of novation, to be effective from the Completion Date.
- (b) During the period from the date of the Agreement to the Completion Date, Marvel Leader shall endeavour to facilitate cooperation among Mr. Tsang, Happy Yield Holdings Limited (which is wholly-owned by Mr. Tsang) and the Purchaser on the conduct of business of the Target Group.

1.8 Completion

Completion shall take place on the 5th Business Day after the fulfillment of the last Condition Precedent (or such other date as Marvel Leader and the Purchaser shall agree).

The sale and purchase of the Sale Shares and the assignment of the Shareholder's Loan shall be completed simultaneously.

2. INFORMATION ON THE GROUP

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

3. INFORMATION ON THE PURCHASER AND THE PURCHASER'S GUARANTOR

To the best of the Directors' knowledge, (i) the principal business activity of the Purchaser is investment holding, and (ii) the Purchaser's Guarantor (the ultimate holding company of the Purchaser) is an investment holding company, the subsidiaries of which are principally engaged in property development and management and other industries including spring water, grain and oil, dairy and health in China.

4. INFORMATION ON MARVEL LEADER AND THE TARGET 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\$387,500) which is directly wholly-owned by the Company. Marvel Leader is an investment holding company and the registered and beneficial owner of 92% of the entire issued share capital 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 with a current issued share capital of US\$3,000 (equivalent to approximately HK\$23,250). As at the date of this announcement, Starhigh is directly owned as to 92% by Marvel Leader and indirectly owned as to 8% by Mr. Tsang. 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\$1,015,250,000) 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 2014, CQZY Group has completed various property development projects of about 1.8 million sqm. CQZY Group currently owns a portfolio of completed properties and developing projects with a total completed and planned GFA of about 3.42 million sqm consisting of residential, commercial, hotel complexes and car park area 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 Target Group included in the consolidated financial statements of the Company are as follows:

	3 months ended 31 March 2015	12 months ended 31 December 2014	12 months ended 31 December 2013
	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	167,980	2,766,416	1,879,475
Profit Before Tax	3,252	676,585	661,395
Net Profit/(Loss)	(13,831)	215,440	263,908
	As at	As at	As at
	31 March 2015	31 December 2014	31 December 2013
	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)
Total Assets	14,852,664	14,596,543	15,639,746
Total Liabilities	7,550,383	7,240,521	8,506,217
Net Assets	7,302,281	7,356,022	7,133,529

5. FINANCIAL EFFECT ON THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Company will cease to have any interest in the Target Group, all members of which will cease to be subsidiaries of the Company and their assets and liabilities and their profits and losses will no longer be consolidated into the consolidated financial statements of the Company.

The Company expects to realize from the Completion a net gain before tax of approximately HK\$842,420,000 which is calculated as follows:

	HK\$'000
Consideration	6,968,500
Less: Shareholder's Loan as at the date of signing of the Agreement	(627,736)
Less: Unaudited consolidated net asset value of the Target Group attributable to Marvel Leader as at 31 March 2015 (see calculation below)	(6,891,201)
Less: Interest capitalized	(36,491)
Add: Release of exchange reserve upon Completion	1,309,680
Add: Release of available-for-sale investment revaluation reserve upon Completion	119,668
Gain on Completion	<u>842,420</u>

The exchange reserve and the available-for-sale investment revaluation reserve upon Completion are taken into account in determining the gain on Completion, pursuant to the accounting policies adopted by the Group as disclosed in its 2014 Annual Report including, in particular, those concerning "Available-for-sale financial investments" and "Foreign currencies" under Section 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES of the Notes to Financial Statements. The exchange reserve represented the net cumulative amount of the differences arising from translating the assets and liabilities of CQZY Group at the exchange rates between RMB and HKD prevailing at the end of the reporting period. The available-for-sale investment revaluation reserve represented the difference between the acquisition costs and the corresponding market value (net of deferred tax) of the

available-for-sale investments held by the Target Group as at 31 March 2015. The exchange reserve and the available-for-sale investment revaluation reserve being a gain recognized in other comprehensive income in relation to the Target Group/CQZY Group are thus reclassified to profit or loss upon Completion pursuant to the accounting policies adopted by the Group.

Unaudited consolidated net asset value of the Target Group attributable to Marvel Leader as at 31 March 2015 is calculated as follows:

	HK\$'000
Unaudited consolidated net asset value of the Target Group as at 31 March 2015	7,302,281
Less: Non-controlling interests of the Target Group	<u>(92,789)</u>
Unaudited consolidated net asset value of the Target Group attributable to equity holders	7,209,492
Less: Sole Distribution Entitlement	<u>(3,230,850)</u>
Unaudited consolidated net asset value of the Target Group attributable to equity holders (ex-dividend)	<u>3,978,642</u>
92% of the unaudited consolidated net asset value of the Target Group attributable to Marvel Leader (ex-dividend)	3,660,351
Add: Sole Distribution Entitlement	<u>3,230,850</u>
Unaudited consolidated net asset value of the Target Group attributable to Marvel Leader as at 31 March 2015	<u>6,891,201</u>

The above calculation is only an estimate provided for illustrative purposes and the actual gain that the Company is able to realize will depend on the actual consolidated net asset value of the Target Group attributable to Marvel Leader and the Shareholder's Loan on Completion. There would be a total sum of RMB5,500,000,000 (equivalent to approximately HK\$6,968,500,000) in cash generated by the Disposal. The proceeds from the Disposal will be partly applied as repayment of existing bank loans and partly applied as working capital of the Group.

6. REASONS FOR AND BENEFITS OF THE DISPOSAL

After a decade of fast growth in the property sector in the PRC spurred by her spiraling GDP growth, the real estate market sentiment became hit for more than a year, successively by external economic factors and by the slowing down of PRC's GDP growth rate. Investment pessimism further increased in the first quarter of 2015 when GDP growth slowed to a six-year low, which was aggravated by the Central Government's announcement after the Central Economic Working Meeting held in mid December 2014 that adjustments will be made to the rate of GDP growth in the PRC under the future growth model for the country. In addition, there were concerns, among other things, about the effect of property taxes on property owners shortly to be imposed in the whole of the PRC following the announcement of the Interim Regulation on Real Estate Registration by the State Council of the PRC on 24 November 2014, which paved the way for imposition of real estate property tax.

Whilst the Group continued to achieve outstanding results in 2014, achieving record high consolidated revenue and net profit, the effect of this fast weakening of market sentiment has set in in the first quarter of 2015. The Group's contract sales in the first quarter of 2015 has been decreased by about 40% to RMB1,017 million (equivalent to approximately HK\$1,289 million). Given the fact that the property industry in the PRC is generally unable to react in time by suitably slowing the pace of inventory build-up, there are serious concerns, particular for property market in second-tier cities such as Chongqing, that the situation of high levels of unsold inventory and weakening of liquidity in developers might lead to detrimental price cutting and a prolonged disorderly market adjustment.

The Group has been acting proactively in this regard and has frozen its land bank since 2014 by not making any land acquisition. However, since the Group has in the past re-invested its property sale proceeds in land holdings, as at the end of the first quarter 2015 the Group's total land bank still stood at 12.3 million sqm (or 8.5 million sqm on an attributable basis), of which 6.3 million sqm is located in Chongqing. It is the Directors' opinion that further efforts at inventory reduction, particularly in Chongqing, will be required to meet the challenges of a possible prolonged adjustment in the Western China property market.

Notwithstanding that it was the prior intention of the Company to align the long-term interest of Mr. Tsang and secure his participation through entering into the Investment Agreement and not to introduce any third party as shareholder of Starhigh, the Directors consider that, taking into account the above-mentioned sequence of change in circumstances facing the Group, it was justified for the Group to depart from its prior intention as the Agreement offered the Group the opportunity for a one-off, accelerated realization of a portion of its inventory of properties holdings in Chongqing, thereby avoiding the uncertainties arising from effect of severe market competition caused by excessive inventory build-up by other developers in the city, which will seriously hit the Group's profitability derived from the portfolio earmarked for disposal. With a streamlined inventory of properties holdings, the Group will be able to continue its policy of selective price adjustments to maximize the Group's future gains, and to weather any prolonged market downturn that the Group may have to face. The Agreement will have the further effect of providing hedging for the Group's bank loan portfolio in Hong Kong, which currently stands at HK\$3.8 billion of which HK\$2.6 billion are due on repayment within 1 year. In the event that loan interest hikes occur when major world economies start to curtail their policies of quantitative easing, their effect on the Group will be mitigated by such hedging. As the Group intends to apply part of the cash proceeds from the Disposal for repayment of its existing bank loans in Hong Kong, this will be able to reduce the Group's future finance costs burden in particular when it is widely expected the loan interest rising cycle will start in the third quarter of 2015.

The entering into the Agreement is therefore in line with the Group's prudent and cautious investment strategy. The Directors consider that the terms of the 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 interests of the Group and the shareholders of the Company as a whole.

7. GENERAL

As the applicable percentage ratio exceeds 75%, the Disposal constitutes a very substantial disposal and is subject to announcement and the shareholders' approval requirements under the Listing Rules.

While Mr. Tsang has no interest in the Agreement, given that Mr. Tsang holds 3,394,242 Shares, representing approximately 0.13% of the issued Shares, and is indirectly interested in 240 Starhigh Shares, representing 8% of the entire issued share capital of Starhigh as at the date of this announcement and will be interested in 40% thereof upon completion of the subscription of Starhigh Shares in full pursuant to the terms of the Investment Agreement, Mr. Tsang and his associates will abstain from voting on the relevant proposed resolution approving and ratifying the Agreement and the transactions contemplated thereunder at the SGM. Mr. Tsang had also abstained from voting on the resolutions of the Board approving the Agreement and the transactions contemplated thereunder.

A circular relating to, among other things, further details of the Agreement and the notice of SGM will be despatched to shareholders of the Company on or before 23 June 2015.

8. DEFINITIONS

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

“Agreement”	the agreement dated 2 June 2015 entered into between Marvel Leader, the Purchaser and the Purchaser’s Guarantor in relation to the Disposal
“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday or general holidays) on which major commercial banks in Hong Kong are generally open for business
“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 Starthigh
“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 Disposal pursuant to the Agreement
“Completion Date”	the date on which Completion takes place
“Conditions Precedent”	conditions precedent to Completion specified in the Agreement and as described under the paragraph headed “1.5 Conditions Precedent” of this announcement
“Consideration”	consideration for the Disposal
“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
“CQZY Group”	CQZY and its subsidiaries
“Director(s)”	the director(s) of the Company
“Disposal”	(a) the disposal of the Sale Shares, and (b) the assignment of the benefits and interests of and in the Shareholder’s Loan, by Marvel Leader to the Purchaser pursuant to the Agreement
“GDP”	gross domestic product
“GFA”	gross floor area

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	independent third party(ies) who is (are) not connected person(s) (as defined under the Listing Rules) of the Company and is (are) independent of and not connected with the Company and its connected person(s)
“Investment Agreement”	the investment agreement dated 7 April 2014 entered into among Marvel Leader, Starhigh and Mr. Tsang (details of which are set out in the Company’s announcement and circular dated 7 April 2014 and 13 November 2014 respectively)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Purchaser”	Shengyu (BVI) Limited, a company incorporated in the BVI and indirectly wholly-owned by the Purchaser’s Guarantor
“Purchaser’s Guarantor”	Evergrande Real Estate Group Limited, a company incorporated in Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the 2,760 Starhigh Shares of US\$1.00 each (equivalent to approximately HK\$7.75) in the share capital of Starhigh, representing 92% of the entire issued capital of Starhigh as at the date of signing of the Agreement
“SGM”	the special general meeting of the Company to be convened for approving the Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders’ Deed”	the shareholders’ deed in respect of Starhigh entered into among Marvel Leader, Mr. Tsang, Happy Yield Holdings Limited (which is wholly-owned by Mr. Tsang) and Starhigh on 17 December 2014 (details of which are set out in the Company’s announcement and circular dated 7 April 2014 and 13 November 2014 respectively)

“Shareholder’s Loan”	the aggregate amount of the loans and net amount due and owing by Starhigh to Marvel Leader as at Completion, which for reference only, as at the date of signing of the Agreement, amounted to HK\$627,735,887.59
“Sole Distribution Entitlement”	the arrangement regarding Marvel Leader’s sole entitlement and right to receive a cumulative amount of a distribution of RMB2.55 billion (equivalent to approximately HK\$3.23 billion) by Starhigh prior to any pro-rata distribution between Marvel Leader and Mr. Tsang pursuant to the Shareholder’s Deed
“sqm”	square meters
“Starhigh”	Starhigh International Limited, a company incorporated in the BVI with limited liability, which is directly owned as to 92% by Marvel Leader and indirectly owned as to 8% by Mr. Tsang, as at the date of this announcement
“Starhigh Share(s)”	the ordinary share(s) of US\$1.00 each (equivalent to approximately HK\$7.75) in the share capital of Starhigh and having the voting and other rights and benefits and being subject to the restrictions set out in its 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Starhigh and its subsidiaries (including Charm Best and CQZY Group)
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percent

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

Hong Kong, 2 June 2015

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\$1.267 and US\$1 = HK\$7.75 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.