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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 TRANSACTION AGREEMENT RELATING TO THE EQUITY HOLDING RATIO IN VERAKIN PROPERTY

On 31 August 2009 Chongqing Top Pioneer and the Original Shareholder entered into the Verakin Agreement which provides for a change to the ratio of their respective equity holding in Verakin Property. Pursuant to the Verakin Agreement, Chongqing Top Pioneer will increase its equity holding in Verakin Property from 51% to 61% by acquiring from the Original Shareholder the Sale Equity at a consideration of RMB25,000,000 (equivalent to approximately HK\$28,375,000) in cash.

After Completion, Chongqing Top Pioneer and the Original Shareholder will hold the entire registered capital of Verakin Property in the proportion of 61% : 39%, and will together provide funding to Verakin Property for further development in this new proportion.

Under the Verakin Agreement, the Original Shareholder is granted the Buy-Back Option which may not be exercised unless the aggregate sales revenue generated by the Project (excluding revenue arising from sales contracts for property in Zones A, B and G) at any time during the Exercise Period reaches RMB200,000,000 (equivalent to approximately HK\$227,000,000) or above. The repurchase consideration shall be equal to the sum of RMB25,000,000 (equivalent to approximately HK\$28,375,000) plus an increment of 1% per month on the said sum calculated for the period from Completion Date to the date of completion of the repurchase. In addition, the Original Shareholder shall pay to Chongqing Top Pioneer a sum equal to such portion of additional capital contributions to Verakin Property which Chongqing Top Pioneer may be required to make as a result of its increased equity holding during the period from Completion Date to the date of completion of the repurchase of the Sale Equity.

GENERAL

As the Original Shareholder is a substantial shareholder of Verakin Property, an indirect subsidiary of the Company, it is a connected person of the Company and the transactions contemplated under the Verakin Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Since each of the applicable percentage ratios for these transactions under the Listing Rules is less than 2.5%, the transactions are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirements.

1. VERAKIN AGREEMENT

1.1 Date

31 August 2009

1.2 Parties

- (i) The Original Shareholder, a privately-owned enterprise incorporated in the PRC currently holding 49% equity interest in Verakin Property. By virtue of its equity interest in Verakin Property, the Original Shareholder is a connected person of the Company as defined in the Listing Rules; and
- (ii) Chongqing Top Pioneer, an indirect wholly-owned subsidiary of the Company incorporated in the PRC currently holding 51% equity interest in Verakin Property.

1.3 Acquisition of the Sale Equity

Pursuant to the Verakin Agreement, Chongqing Top Pioneer will acquire the Sale Equity at a consideration of RMB25,000,000 (equivalent to approximately HK\$28,375,000) payable in cash to the Original Shareholder. The Sale Equity represents 10% of the registered and paid up capital of Verakin Property.

The Verakin Agreement was entered into on normal commercial terms and the consideration for acquiring the Sale Equity was arrived at after arm's length negotiation between the parties. In determining the consideration for the Sale Equity reference had been made to the amount of approximately RMB339,993,000 (equivalent to approximately HK\$385,892,000), being the amount of the net asset value of Verakin Property based on its PRC GAAP audited financial statements as at 31 December 2008.

1.4 Completion

Completion of the acquisition of the Sale Equity by Chongqing Top Pioneer will take place within 20 business days of the entering into of the Verakin Agreement.

1.5 Parties' Funding Obligation after Completion

After Completion, Chongqing Top Pioneer and the Original Shareholder will hold the entire registered capital of Verakin Property in the proportion of 61% : 39%, and will together provide funding to Verakin Property for further development in this new proportion.

1.6 Buy-Back Option

The Original Shareholder is granted the Buy-Back Option which may not be exercised unless the aggregate sales revenue generated by the Project (excluding revenue arising from sales contracts for property in Zones A, B and G) at any time during the Exercise Period reaches RMB200,000,000 (equivalent to approximately HK\$227,000,000) or above.

The consideration for the repurchase of the Sale Equity by the Original Shareholder shall be a sum equal to RMB25,000,000 (equivalent to approximately HK\$28,375,000) plus an increment of 1% per month on the said sum calculated for the period from Completion Date to the date of completion of the repurchase. Such increment was arrived at after arm's length negotiation between the parties and intended as a reasonable compensation to Chongqing Top Pioneer for (i)

the 10% increase in its funding obligations towards Verakin Property; and (ii) loss of revenue which could otherwise have been generated for the Group had the same amount of RMB25,000,000 (equivalent to approximately HK\$28,375,000) been put to other uses. In addition, the Original Shareholder shall pay to Chongqing Top Pioneer a sum equal to such portion of additional capital contributions to Verakin Property which Chongqing Top Pioneer may be required to make as a result of its increased equity holding during the period from Completion Date to the date of completion of the repurchase of the Sale Equity.

In the event that the Original Shareholder exercises the Buy-Back Option, the Company will assess the impact upon such exercise and make further announcement and/or re-comply with the Listing Rules as may be required.

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 VERAKIN PROPERTY

Verakin Property is a property development company incorporated in Chongqing, the PRC in 2005 with the Original Shareholder as one of its founding members. The Original Shareholder provided a total sum of RMB120,000,000 (equivalent to approximately HK\$136,200,000) as 80% of the registered capital of Verakin Property on its incorporation and on the subsequent increase of registered capital. Subsequently, the Original Shareholder acquired the remaining 20%, registered capital of Verakin Property representing the sum of RMB30,000,000 (equivalent to approximately HK\$34,050,000) from the other equity holders and became the sole equity owner of Verakin Property. In October 2007, the Group acquired a 51% equity interest in Verakin Property from the Original Shareholder partly by way of subscription for new registered capital and partly by transfer of equity interest from the Original Shareholder, with the remaining 49% being retained by the Original Shareholder.

The principal business of Verakin Property is ownership and development of the Project, which comprises a land site of approximately 720,616 square metres located in Chayuan New Town, Nanan Qu, Chongqing (重慶南岸區茶園新城) with a total GFA of approximately 1,659,000 square metres. Approximately 227,000 square metres of the property developed or under development in the Project have been sold.

The financial highlights and operating results of Verakin Property for the years ended 31 December 2008 and 2007 based on its PRC GAAP audited financial statements for these two years are as follows:

| | <u>12 months ended</u> <u>31 December 2008</u> | <u>12 months ended</u> <u>31 December 2007</u> |
|-------------------|---|---|
| | RMB'000 (Audited) | RMB'000 (Audited) |
| Turnover | 193,865 | 241,272 |
| Profit Before Tax | 1,858 | 61 |
| Net Profit | 1,858 | 61 |

| | <u>As at</u> <u>31 December 2008</u> RMB'000 (Audited) | <u>As at</u> <u>31 December 2007</u> RMB'000 (Audited) |
|-------------------|---|---|
| Total Assets | 891,205 | 711,532 |
| Total Liabilities | 551,212 | 373,397 |
| Net Assets | 339,993 | 338,135 |

4. REASONS FOR THE VERAKIN AGREEMENT

With a total GFA exceeding 1.6 million square metres, the Project is one of the largest residential developments in the Chayuan region, a newly developed residential district in Chongqing. Following the successful commencement of construction and sale of property in earlier zones in the Project, the management anticipates that a more aggressive funding program needs to be drawn up for Verakin Property in order to maximise the development potential of the Project. The Verakin Agreement was entered into by the parties with this main object in mind.

After Completion, Chongqing Top Pioneer will increase its equity holding in Verakin Property from 51% to 61%, together with a corresponding increase in its funding commitment. With this increased financial support from the Group, a funding program can be drawn up for Verakin Property to cater for an anticipated upturn in the property market in the near future. If the Buy-Back Option is not exercised, the Group will benefit from its increased sharing of any future net profits of Verakin Property from existing 51% to 61%. In the event that the Original Shareholder exercises the Buy-Back Option, Chongqing Top Pioneer will not only benefit from the upturn of the property market, but also receive a reasonable compensation by way of the increment in the repurchase price.

The directors consider that the Verakin Agreement is on normal commercial terms which are fair and reasonable and in the interest of the shareholders of the Company as a whole. As the results of Verakin Property have already been included as part of the consolidated results of the Group, the acquisition of the Sale Equity will reduce the minority share of any future net profits of Verakin Property from 49% to 39%, bringing about a corresponding increase in the net profits of Verakin Property attributable to the Group. The amount of minority interest in the balance sheet of the Group will also decrease corresponding to the reduction of the Original Shareholder's 10% equity holding in Verakin Property.

5. GENERAL

To our best knowledge, the Original Shareholder is principally engaged in property development and investment in the PRC.

As the Original Shareholder is a substantial shareholder of Verakin Property, an indirect subsidiary of the Company, it is a connected person of the Company and the transactions contemplated under the Verakin Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Since each of the applicable percentage ratios for these transactions under the Listing Rules is less than 2.5%, the transactions are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirements.

6. DEFINITIONS

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

| | |
|-------------------------|---|
| “Buy-Back Option” | the option granted to the Original Shareholder pursuant to the Verakin Agreement to repurchase the Sale Equity from Chongqing Top Pioneer so as to bring its equity holding in Verakin Property from 39% back to 49% |
| “Chongqing Top Pioneer” | 重慶頂添置業有限公司 (Chongqing Top Pioneer Realty Company), an indirect wholly-owned subsidiary of the Company incorporated in the PRC |
| “Company” | C C Land Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange |
| “Completion” | completion of the acquisition of the Sale Equity by Chongqing Top Pioneer |
| “Completion Date” | the date on which Completion takes place |
| “Exercise Period” | the period of three consecutive years immediately following the execution of the Verakin Agreement |
| “GAAP” | Generally Accepted Accounting Principles |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Original Shareholder” | 同景集團有限公司 (Verakin Group Company Limited), a privately-owned enterprise incorporated in the PRC |
| “PRC” | the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong and Macau |
| “Project” | parcels of land with a total site area of 720,616 square metres located in Chayuan New Town, Nanan Qu, Chongqing (重慶南岸區茶園新城) being Verakin Property’s share of a site acquired by Verakin Property jointly with other purchasers under a Contract for the Sale of Land Use Right over Stated-owned Land dated 16 April 2005 |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale Equity” | the amount of RMB302,800,000 currently standing in the books of Verakin Property as part of the capital registered in the name of the |

| | |
|---------------------|--|
| | Original Shareholder and representing 10% of the registered and paid up capital of Verakin Property |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Verakin Agreement” | the agreement dated 31 August 2009 and entered into by the Original Shareholder and Chongqing Top Pioneer |
| “Verakin Property” | 重慶同景置業有限公司 (Chongqing Verakin Real Estate Company Limited) an indirect subsidiary of the Company incorporated in Chongqing, the PRC the equity capital of which is currently held as to 51% by Chongqing Top Pioneer and 49% by the Original Shareholder |
| “%” | per cent |

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

Hong Kong, 1 September 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*