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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)

MAJOR TRANSACTION ACQUISITION OF 10% OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

On 16 September 2022, Modern Hero (as purchaser), a wholly-owned subsidiary of the Company, entered into the SPA with Easycrest (as vendor) and Mingfa (as vendor's guarantor) for the acquisition of the Sale Share and the assignment of the Sale Loan at a total consideration of HK\$325 million.

Pursuant to the SPA, upon SPA Completion, Join Wise, a wholly-owned subsidiary of the Company, shall enter into the Deed of Assumption of Debt with Ming Fat and the Target Company for the assumption of the obligations of Ming Fat (being the nominated financier of Easycrest) to advance the Committed Loan in consideration of a payment of an equivalent amount of HK\$6 million to Join Wise, which shall be settled by offsetting an equivalent amount from the Consideration.

Upon SPA Completion and for the purpose of the Acquisition, the Company (being the guarantor of Modern Hero) shall execute the Bank Guarantee and when aggregating with the bank guarantee previously provided by the Company (as one of the guarantors of the JV Company) in favour of the existing lending bank of the Property Owner, the Company will be providing an aggregated bank guarantee of up to 42% of the obligations of the Property Owner due and payable under those term loan facilities granted to the Property Owner, corresponding to the Group's aggregated indirect interest in the Property Owner immediately following the SPA Completion.

LISTING RULES IMPLICATIONS

The highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Transaction exceeds 5% but is less than 25% on a stand-alone basis. However, as the Formation of JV Company was completed in the preceding 12-month period from the date of the SPA and involved acquisition of interests in the Target Company, the Transaction is required to be aggregated with the Formation of JV Company under Rule 14.22 of the Listing Rules for the purpose of classifying the Transaction.

When aggregated with the Formation of JV Company, the highest applicable percentage ratio in respect of the Transaction exceeds 25% but is less than 100%, and the Transaction constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As a written approval for the entry into of the Transaction has been obtained by the Company from the Majority Shareholder and that all the conditions under Rule 14.44 of the Listing Rules have been met, the written approval has been accepted by the Company in lieu of holding a special general meeting to approve the entry into of the Transaction.

A circular of the Transaction is required to be despatched to the Shareholders on or before 10 October 2022. If more time is required to prepare the information for inclusion in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, and will publish further announcement(s) in compliance with the requirement under the Listing Rules as and when appropriate.

1. SPA AND THE ACQUISITION

On 16 September 2022, Modern Hero (as purchaser) entered into the SPA with Easycrest (as vendor) and Mingfa (as vendor's guarantor) for the acquisition of the Sale Share and the assignment of the Sale Loan at a total consideration of HK\$325 million.

The principal terms of the SPA are summarised as follows:

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|----------------------------------|---|
| 1.1 Date | 16 September 2022 |
| 1.2 Parties | (1) Modern Hero as purchaser
(2) Easycrest as vendor
(3) Mingfa as vendor's guarantor |
| 1.3 Assets to be acquired | (a) The Sale Share representing 10% of the entire issued share capital of the Target Company and 50% of the issued share capital of the Target Company held by Easycrest as at the date of the SPA and immediately before SPA Completion; and

(b) The Sale Loan representing 50% of all loan(s), interests, indebtedness and sums owing by the Target Company to Ming Fat as at SPA Completion. As at 30 June 2022, the Sale Loan amounted to approximately HK\$252.4 million. |

- 1.4 Consideration and payment terms** The amount of the Consideration is HK\$325 million and was determined after arm's length negotiations between the parties to the SPA with reference to, amongst others, the assets and liabilities of the Target Group as at 30 June 2022 as disclosed in the unaudited management accounts of the Target Group for the six months ended 30 June 2022, the amount of the Sale Loan, and taking into account the recent sales performance of the Property.
- The Consideration shall be payable in cash upon SPA Completion by cashier order(s) or in such other manner as Easycrest and Modern Hero may otherwise agree in writing. The Company intends to fund the Consideration from its internal resources.
- 1.5 Deed of Assumption of Debt** Upon SPA Completion, Join Wise shall enter into the Deed of Assumption of Debt with Ming Fat and the Target Company for the assumption of the obligations of Ming Fat (being the nominated financier of Easycrest) to advance the Committed Loan in consideration of a payment of an equivalent amount of HK\$6 million to Join Wise, which shall be settled by offsetting an equivalent amount from the Consideration. After the set-off, the net amount of the Consideration payable by Modern Hero and Join Wise upon SPA Completion shall be reduced to HK\$319 million.
- 1.6 Condition precedent** SPA Completion shall be conditional upon all of the following conditions precedent being satisfied (or waived by Modern Hero) before the expiry of 9 months from the date of the SPA:
- (i) Easycrest having obtained waiver of any right of pre-emption in respect of the Sale Share;
 - (ii) Easycrest having obtained the written consent of an existing lending bank of the Property Owner in respect of the SPA and the transactions contemplated hereunder and delivered to Modern Hero all relevant documentary evidence showing the grant of such consent and release of any of its obligations by such existing lending bank;
 - (iii) where applicable, Mingfa having obtained all the necessary corporate approval for approving the SPA and the transactions contemplated hereunder;
 - (iv) Easycrest having been able to procure Ming Fat to sign the Deed of Assignment and the Deed of Assumption of Debt;

- (v) all the warranties given by Easycrest and Mingfa under the SPA remaining true and accurate and not misleading as at SPA Completion and no events having occurred that would result in any breach of such warranties or provisions of the SPA by Easycrest;
- (vi) Modern Hero having obtained all relevant internal approval from its board of directors and the Board in respect of the SPA and the transactions contemplated hereunder; and
- (vii) (if required by the Listing Rules or the Stock Exchange) the Company having obtained all necessary approval by its shareholder(s) approving the SPA and the transactions contemplated thereunder,

failing which Modern Hero or Easycrest may terminate the SPA by giving at least 5 business days' (as defined under the SPA) prior written notice to the other party and upon expiry of the said notice period, the SPA shall cease to have any effect and become null and void (other than the continuing provisions as specified under the SPA).

Modern Hero may in its absolute discretion at any time waive in writing any of the above conditions precedent or any part thereof, except that the conditions precedent set out in paragraphs (vi) and (vii) above cannot be waived.

1.7 SPA Completion

SPA Completion shall take place on 15 November 2022 or within 3 business days (as defined under the SPA) after the conditions precedent set out in the SPA having been satisfied (or waived by Modern Hero) or such other date as agreed by Easycrest and Modern Hero in writing.

Following SPA Completion, the Target Company will be accounted for as investment in joint venture by the Group and will not become a subsidiary of the Company and its financial results will not be consolidated into the financial statements of the Group.

1.8 Vendor's Guarantee

Mingfa guarantees to Modern Hero, among other things, the full and punctual performance by Easycrest of all its obligations and to pay, on demand, any sum which Easycrest fails to pay pursuant to the SPA.

2. DEED OF ADHERENCE

Upon SPA Completion, the Company, Modern Hero and the relevant parties shall enter into the Deed of Adherence pursuant to which, among other things, Modern Hero shall covenant to observe, perform and be bound by all the terms of the Existing Target SHA with effect from the date of the Deed of Adherence, and to assume certain relevant rights and obligations of Easycrest in respect of the Sale Share under the Existing Target SHA as if it were named as a party thereto (save and except any personal obligations imposed only on and any warranties given by Easycrest, and any antecedent breaches or non-observance of the Existing Target SHA by Easycrest prior to the date of the Deed of Adherence).

3. BANK GUARANTEE

Upon SPA Completion and for the purpose of the Acquisition, the Company (being the guarantor of Modern Hero) shall execute a deed of guarantee in favour of an existing lending bank of the Property Owner to guarantee up to an additional 10% of the obligations of the Property Owner due and payable under certain term loan facilities granted to the Property Owner with an outstanding loan balance of approximately HK\$2,243 million as at the date of the SPA. The guarantee obligation of the Company under the Bank Guarantee is determined by reference to the Group's additional indirect interest of 10% in the Property Owner to be acquired by Modern Hero under the SPA.

When aggregating the Bank Guarantee with the bank guarantee previously provided by the Company (as one of the guarantors of the JV Company) to the existing lending bank of the Property Owner, the Company will be providing an aggregated bank guarantee of up to 42% of the obligations of the Property Owner due and payable under those term loan facilities, corresponding to the Group's aggregated indirect interest of 42% in the Property Owner immediately following SPA Completion.

4. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors consider that, in light of the recent sales performance of the Property, the Transaction offers an opportunity for the Group to further accelerate the returns from its investment by increasing the Group's aggregated indirect interest in the Target Company. The terms of the SPA were negotiated after arm's length negotiations between the parties. The Directors are of the view that the terms of the SPA are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

5. INFORMATION ON MODERN HERO, JOIN WISE AND THE GROUP

Modern Hero is incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company. Modern Hero is principally engaged in investment holding. Join Wise is incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. Join Wise is principally engaged in treasury management. The Company is an investment holding company and its subsidiaries are principally engaged in property development and investment as well as treasury investments.

6. INFORMATION ON THE OTHER PARTIES

Other Parties to the Acquisition

Easycrest is a wholly-owned subsidiary of Mingfa and is principally engaged in property development. Ming Fat is a wholly-owned subsidiary of Mingfa and is principally engaged in investment holding. Mingfa is an investment holding company and its subsidiaries are principally engaged in property development, property investment and hotel operation in the People's Republic of China.

Other Parties to the Deed of Adherence

Optimistic Horizon is an indirect wholly-owned subsidiary of Emperor and is principally engaged in investment holding. Emperor is an investment holding company and its subsidiaries are principally engaged in property investment, property development and hospitality in the Greater China and overseas.

The JV Company is a company incorporated in the British Virgin Island with limited liability and is principally engaged in investment holding. As at the date of this announcement, the Company indirectly owns 6 Non-voting JV Shares and 2 Ordinary JV Shares while CSI indirectly owns 2 Ordinary JV Shares. CSI is an investment holding company and its subsidiaries are principally engaged in the business of property development and investment, and securities investment.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the following parties are all Independent Third Parties:

- (a) Easycrest, Ming Fat, Mingfa and its controlling shareholder(s);
- (b) Optimistic Horizon, Emperor and its controlling shareholder(s); and
- (c) CSI and its controlling shareholder(s).

7. INFORMATION ON THE TARGET GROUP

As at the date of this announcement, the Target Company is owned as to 40% by Optimistic Horizon, 40% by the JV Company and 20% by Easycrest. The sole business of the Target Company is to hold all the entire issued share capital of the Property Owner, and the sole business of the Property Owner is to hold and develop the Land into the Property for sale or lease.

The Property is a signature luxury residential project with a total gross floor area of approximately 87,200 square feet, and has been developed by the Property Owner into 15 low-density luxury villas, complemented by comprehensive auxiliary facilities. The Property was launched to the market in late-May 2022.

The financial highlights and operating results of the Target Group prepared in accordance with the Hong Kong Financial Reporting Standards are as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2021	For the six months ended 30 June 2022
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
	HK\$'000	HK\$'000	HK\$'000
Loss before taxation	171	72,343	63,398
Loss after taxation	171	72,343	63,398

Based on the unaudited management accounts of the Target Group, the unaudited consolidated net liabilities of the Target Group as at 30 June 2022 was approximately HK\$137 million.

As at the date of the SPA, Easycrest owns 20% of the entire issued share capital of the Target Company. Concurrent with the SPA, Easycrest (as vendor) has entered into a sale and purchase agreement with Optimistic Horizon (as purchaser) for the disposal of the remaining 10% of the entire issued share capital of the Target Company owned by Easycrest and the assignment of the remaining 50% of all loan(s), interests, indebtedness and sums owing by the Target Company to Ming Fat (the “**Concurrent Disposal**”).

Immediately following completion of the Concurrent Disposal and the SPA Completion, the Target Company will be owned as to 50% by Optimistic Horizon, 40% by the JV Company and 10% by Modern Hero. Accordingly, the Group’s aggregated indirect interest in the Target Company and the Property Owner held through the JV Company and Modern Hero will be increased from 32% to 42%.

8. LISTING RULES IMPLICATIONS

Reference is made to the announcement of the Company dated 28 January 2022 in relation to the Formation of JV Company.

The highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Transaction exceeds 5% but is less than 25% on a stand-alone basis. However, as the Formation of JV Company was completed in the preceding 12-month period from the date of the SPA and involved acquisition of interests in the Target Company, the Transaction is required to be aggregated with the Formation of JV Company under Rule 14.22 of the Listing Rules for the purpose of classifying the Transaction.

When aggregated with the Formation of JV Company, the highest applicable percentage ratio in respect of the Transaction exceeds 25% but is less than 100%, and the Transaction constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As a written approval for the entry into of the Transaction has been obtained by the Company from the Majority Shareholder and that all the conditions under Rule 14.44 of the Listing Rules have been met, the written approval has been accepted by the Company in lieu of holding a special general meeting to approve the entry into of the Transaction.

A circular of the Transaction is required to be despatched to the Shareholders on or before 10 October 2022. If more time is required to prepare the information for inclusion in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, and will publish further announcement(s) in compliance with the requirement under the Listing Rules as and when appropriate.

SPA Completion is subject to the fulfilment (or wavier) of the conditions precedent and therefore may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

9. DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share and the assignment of the Sale Loan pursuant to the SPA;
“Bank Guarantee”	the guarantee as mentioned in the paragraph headed “ 3. BANK GUARANTEE ”;
“Board”	the board of Directors;
“Committed Loan”	a loan to be advanced to the Target Company by Ming Fat in the principal amount of HK\$6 million at an interest rate of 2.2% per annum;
“Company”	C C Land Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1224);
“Concurrent Disposal”	the concurrent disposal as mentioned in the paragraph headed “ 7. INFORMATION ON THE TARGET GROUP ”;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Consideration”	HK\$325 million, being the consideration for the Sale Share and the Sale Loan under the SPA;
“CSI”	CSI Properties Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 497);
“Deed of Adherence”	a deed of release and adherence to be executed by Easycrest, Mingfa, Optimistic Horizon, Emperor, the JV Company, CSI, the Company, Modern Hero and the Target Company upon SPA Completion in relation to the Existing Target SHA;

“Deed of Assignment”	a deed of assignment of the Sale Loan to be executed by Ming Fat (as assignor), Join Wise (as assignee) and the Target Company upon SPA Completion for the assignment of the Sale Loan;
“Deed of Assumption of Debt”	a deed of assumption of debt to be executed by Ming Fat, Join Wise and the Target Company upon SPA Completion for the assumption of the Committed Loan;
“Director(s)”	the director(s) of the Company from time to time;
“Easycrest”	Easycrest Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Mingfa;
“Emperor”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 163);
“Existing Target SHA”	the shareholders’ agreement dated 9 June 2014 and entered into amongst Emperor, Smart Launch Limited, Mingfa, Mr. Hui Wing Mau, and the Target Company in relation to the formation, management and operation of the Target Company, as varied and amended by (a) the supplemental agreement dated 1 December 2014 and entered into amongst the said parties and as acknowledged by Optimistic Horizon and Easycrest as agents for Emperor and Mingfa respectively, and (b) the deed of release and adherence dated 28 January 2022 and executed by the said parties and the JV Company, the Company and CSI and as acknowledged by Optimistic Horizon and Easycrest as agents for Emperor and Mingfa respectively;
“Formation of JV Company”	the formation of the JV Company as disclosed in the Company’s announcement dated 28 January 2022;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“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);

“Join Wise”	Join Wise Enterprises Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by the Company;
“JV Company”	LAND MAGIC INVESTMENTS LIMITED, a company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, the Company indirectly owns 6 Non-voting JV Shares and 2 Ordinary JV Shares while CSI indirectly owns 2 Ordinary JV Shares;
“Land”	ALL THAT piece or parcel of ground registered in the Land Registry as Rural Building Lot No.1198;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Majority Shareholder”	Fame Seeker Holdings Limited (indirectly wholly owned by Mr. Cheung Chung Kiu, Chairman of the Board) which holds 2,724,239,906 Shares, representing approximately 70.17% of the issued Shares as at the date of this announcement;
“Mingfa”	Mingfa Group (International) Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 846);
“Ming Fat”	Ming Fat Holdings (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by Mingfa;
“Modern Hero”	MODERN HERO GLOBAL LIMITED, a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by the Company;
“Non-voting JV Share(s)”	non-voting share(s) of the JV Company having the rights and being subject to the restrictions set out in the memorandum of association of the JV Company;
“Optimistic Horizon”	Optimistic Horizon Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly owned subsidiary of Emperor;
“Ordinary JV Share(s)”	ordinary share(s) of the JV Company having the rights and being subject to the restrictions set out in the memorandum of association of the JV Company;
“Property”	No. 15 SHOUSON as erected on the Land;

“Property Owner”	Talent Charm Corporation Limited, a company incorporated in Hong Kong with limited liability, which directly holds the Property and is wholly owned by the Target Company;
“Sale Loan”	50% of all loan(s), interests, indebtedness and sums owing by the Target Company to Ming Fat as at SPA Completion;
“Sale Share”	one (1) ordinary share of the Target Company to be sold by Easycrest to Modern Hero, which represents 10% of the entire issued share capital of the Target Company and 50% of the issued share capital of the Target Company owned by Easycrest as at the date of the SPA and immediately before SPA Completion;
“Shareholder(s)”	shareholders of the Company;
“SPA”	the sale and purchase agreement dated 16 September 2022 entered into by Modern Hero as purchaser, Easycrest as vendor and Mingfa as vendor’s guarantor relating to the Acquisition;
“SPA Completion”	completion of the Acquisition under the SPA;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	SUPERB LAND LIMITED, a company incorporated in the British Virgin Islands with limited liability, which is the immediate holding company of the Property Owner;
“Target Group”	Target Company and its subsidiary (being the Property Owner);
“Transaction”	the transactions contemplated under the SPA and the Bank Guarantee; and
“%”	per cent.

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

Hong Kong, 16 September 2022

As at the date of this announcement, the Board comprises Mr. Cheung Chung Kiu, Dr. Lam How Mun Peter, Mr. Wong Chi Keung, Mr. Leung Chun Cheong, and Mr. Leung Wai Fai as Executive Directors; and Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven, and Dr. Wong Lung Tak Patrick as Independent Non-executive Directors.