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远洋地产

遠洋地產控股有限公司

Sino-Ocean Land Holdings Limited

(incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)

(Stock Code: 03377)

**CONNECTED TRANSACTION
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN
SKY CHARTER DEVELOPMENT LIMITED**

On 9 December 2009, Sound Plan (as vendor) and the Company (as purchaser) entered into the Agreement, pursuant to which Sound Plan has conditionally agreed to sell to the Company, and the Company has conditionally agreed to purchase from Sound Plan, the entire issued share capital of the Target Company held by Sound Plan subject to the conditions and in accordance with the terms of the Agreement.

Sound Plan holds the entire issued share capital in the Target Company. The Target Company is the registered holder of a 30% interest in the Project Companies, which in turn are indirect subsidiaries of the Company. As such, Sound Plan is a substantial shareholder of the indirect subsidiaries of the Company, and therefore a connected person of the Company. Accordingly, the Transaction constitutes a connected transaction for the Company under the Listing Rules.

As the highest of the applicable percentage ratios in respect of the Transaction exceed 2.5% but less than 25%, the Transaction is subject to the reporting and announcement requirements under the Listing Rules and is also subject to independent Shareholders' approval at the EGM.

A circular containing, among other things, further details of the Transaction, a letter from the Independent Board Committee to the independent Shareholders and a letter from the independent financial adviser to the Independent Board Committee and the independent Shareholders, together with a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

INTRODUCTION

On 9 December 2009, Sound Plan (as vendor) and the Company (as purchaser) entered into the Agreement, pursuant to which Sound Plan has conditionally agreed to sell to the Company, and the Company has conditionally agreed to purchase from Sound Plan, the entire issued share capital of the Target Company held by Sound Plan subject to the conditions and in accordance with the terms of the Agreement.

AGREEMENT

Date	:	9 December 2009
Parties	:	Sound Plan (as vendor) the Company (as purchaser)
Assets to be acquired	:	100% equity interest in the Target Company
Consideration	:	The Consideration is RMB50,000,000 (equivalent to approximately HK\$57,000,000), which, subject to satisfaction of all of the Conditions (unless otherwise waived by the the Company if waivable), will be payable to Sound Plan in cash on or before 31 January 2010 by reimbursement to the bank account designated by Sound Plan.

BASIS FOR DETERMINATION OF THE CONSIDERATION

The Consideration was determined after arm's length negotiations between the parties to the Agreement based on various factors including, among other things, the valuation of the Property Project of RMB4,407,380,000 (equivalent to approximately HK\$5,024,413,200) as stated in the Property Valuation Report prepared by the Valuer based on the Direct Comparison Approach, and the total asset value of the Target Company as at 31 October 2009 of approximately RMB170,340,000 (equivalent to approximately HK\$194,188,000) based on the unaudited financial statements of the Target Company prepared in accordance with IFRS for the ten months ending 31 October 2009.

CONDITIONS PRECEDENT

Completion is conditional upon each of the following Conditions having been satisfied on or before 31 January 2010:-

- (1) Sound Plan having delivered all books and records of the Target Company to the Company;
- (2) all representations and warranties made by Sound Plan under the Agreement shall remain true, accurate and complete as at the date of Completion;

- (3) Sound Plan having performed all of its obligations under the Agreement which are required to be performed before Completion;
- (4) there has been no material adverse change in respect of the Target Company (including but not limited to those in relation to the financial condition, business and prospect of the Target Company);
- (5) all approvals, permissions, consents, filings and registration certificates required for the execution and performance of the Agreement having been obtained or completed by Sound Plan, and having been delivered to the Company by Sound Plan;
- (6) independent Shareholders approval having been obtained by the Company in respect of the Transaction in accordance with the requirements under the Listing Rules.

As at the date of this announcement, none of Conditions set out in above was satisfied. The Condition set out in (6) cannot be waived.

If any of the Conditions has not been satisfied (or not been waived by the Company if waivable) on or before 31 January 2010, the Company may choose to terminate the Agreement by serving a written notice to Sound Plan, in which case the Agreement shall be terminated on the date of such written notice and neither party will have any claims against the other party under the Agreement, other than those in relation to antecedent breaches.

FINANCIAL INFORMATION OF THE TARGET COMPANY AND THE THREE PROJECT COMPANIES

The unaudited net liability of the Target Company as at 31 October 2009 was approximately RMB20,147,000 (equivalent to approximately HK\$22,968,000).

The attributable unaudited net losses before and after taxation of the Target Company for the year ended 31 December 2008 were both approximately RMB2,404,000 (equivalent to approximately HK\$2,741,000). The attributable net profits before and after taxation of the Target Company for the period from the date of its incorporation to 31 December 2007 were both nil.

The unaudited net asset value of Yuanyang Tianqi, Yuanyang Xinhe and Yuanyang Yunhe as at 31 October 2009 were approximately RMB315,363,000 (equivalent to approximately HK\$359,514,000), RMB49,814,000 (equivalent to approximately HK\$56,788,000) and RMB267,401,000 (equivalent to approximately HK\$304,837,000), respectively. Accordingly, the aggregate net asset value of the Project Companies attributable to the 30% shareholdings held by the Target Company in the Project Companies as at 31 October 2009 was approximately RMB189,773,000 (equivalent to approximately HK\$216,341,000).

The attributable audited net losses (both before and after taxation) of Yuanyang Tianqi, Yuanyang Xinhe and Yuanyang Yunhe from their respective date of incorporation to 31 December 2008 were approximately RMB3,742,000 (equivalent to approximately HK\$4,266,000), RMB176,000 (equivalent to approximately HK\$201,000) and RMB361,000 (equivalent to approximately HK\$412,000), respectively.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company is actively looking for a strategic partner with strong capital base and business presence in Hangzhou to cooperate with it in the development of the Property Project. The Company believes that it will be able to leverage on the local market expertise and knowledge of such strategic partner which will be beneficial to the long-term development of the Property Project and other future projects of the Company in Hangzhou. Upon Completion of the Transaction, the Property Project will become indirectly wholly-owned by the Company, which will give greater flexibility for the Company to introduce any potential strategic partner to invest in the Property Project.

Based on the above, the Directors (excluding the independent non-executive Directors who would render their views on the terms of the Transaction after having been advised by the independent financial adviser) consider the terms of the Agreement and the Transaction are normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Sound Plan holds the entire issued share capital in the Target Company. The Target Company is the registered holder of a 30% interest in the Project Companies, which in turn are indirect subsidiaries of the Company. As such, Sound Plan is a substantial shareholder of the indirect subsidiaries of the Company, and therefore a connected person of the Company. Accordingly, the Transaction constitutes a connected transaction for the Company under the Listing Rules.

As the highest of the applicable percentage ratios in respect of the Transaction exceed 2.5% but less than 25%, the Transaction is subject to the reporting and announcement requirements under the Listing Rules and is also subject to independent Shareholders' approval at the EGM.

A circular containing, among other things, further details of the Transaction, a letter from the Independent Board Committee to the independent Shareholders and a letter from the independent financial adviser to the Independent Board Committee and the independent Shareholders, together with a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

GENERAL INFORMATION

The Group is one of the largest real estate companies in Beijing and has a diversified portfolio of development projects and investment projects. The Group primarily develops medium to high-end residential properties, premium grade office premises, retail spaces and serviced apartments.

Sound Plan is principally engaged in investment holding business.

DEFINITIONS

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

“Agreement”	the Agreement dated 9 December 2009 entered into between Sound Plan (as vendor) and the Company (as purchaser) in relation to the sale and purchase of the entire issued share capital of the Target Company
“Board”	the board of directors of the Company
“Company”	Sino-Ocean Land Holdings Limited, a company incorporated with limited liability under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and whose shares are listed on main board of The Stock Exchange of Hong Kong Limited
“Completion”	completion of the sale and purchase of the entire issued share capital of the Target Company pursuant to the Agreement
“Conditions”	the conditions precedent to the Completion, as set out in the paragraph headed “Conditions Precedent” in this announcement
“connected person”	having the meaning ascribed to such term in the Listing Rules
“Consideration”	the consideration of RMB50,000,000 (equivalent to approximately HK\$57,000,000) for the sale and purchase of the entire issued share capital of the Target Company pursuant to the Agreement
“Direct Comparison Approach”	the property valuation method by which the reasonable price or valuation of a property is assessed based on the value (subject to appropriate adjustment) of the recent transactions of comparable properties

“Director(s)”	director(s) of the Company
“EGM”	extraordinary general meeting of the Company to be held for considering and approving, if appropriate, the Agreement and the Transaction
“Group”	the Company and its subsidiaries
“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
“IFRS”	International Financial Reporting Standards
“Independent Board Committee”	an independent board committee of the Company comprising Mr. Tsang Hing Lun, Mr. Gu Yunchang, Mr. Han Xiaojing and Mr. Zhao Kang, all being independent non-executive Directors
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Moral Wealth”	Moral Wealth International Limited, a limited liability company which was incorporated in Hong Kong and is wholly-owned by the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement and unless the context suggests otherwise, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Project Companies”	three project companies, namely Yuanyang Tianqi, Yuanyang Xinhe and Yuanyang Yunhe, each of which is held as to 70% indirectly by the Company and as to 30% directly by the Target Company
“Property Project”	the property project located at Land Lot No. HZCC(2007)73, Dagan Road, Gongshu District, Hangzhou, the PRC which is held by the Project Companies

“Property Valuation Report”	the property valuation report (No. (2009)A0123) prepared and to be issued by the Valuer in respect of the Property Project before the publication of the circular of the Company in respect of the Transaction
“RMB”	Renminbi, the lawful currency of the PRC
“Sound Plan”	Sound Plan Group Limited, a company incorporated under the laws of the British Virgin Islands
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	having the meaning ascribed to such term in the Listing Rules
“Target Company”	Sky Charter Development Limited, a company incorporated under the laws of Hong Kong, the entire issued share of which is held by Sound Plan
“Transaction”	the sale and purchase of the entire issued share capital of the Target Company contemplated under the Agreement
“Valuer”	北京建華信資產評估事務所有限公司 (Beijing Jian Hua Xin Appraisal Company Limited*), an asset appraisal company independent from the Group
“Yuanyang Tianqi”	杭州遠洋天祺置業有限公司 (Hangzhou Yuanyang Tianqi Property Company Limited*), a limited liability company which was incorporated in the PRC and is 30% and 70% owned by the Target Company and Moral Wealth, respectively
“Yuanyang Xinhe”	杭州遠洋新河酒店置業有限公司 (Hangzhou Yuanyang Xinhe Hotel Property Company Limited*), a limited liability company which was incorporated in the PRC and is 30% and 70% owned by the Target Company and Moral Wealth, respectively

“Yuanyang Yunhe”

杭州遠洋運河商務區開發有限公司 (Hangzhou Yuanyang Yunhe Commercial District Development Company Limited*), a limited liability company which was incorporated in the PRC and is 30% and 70% owned by the Target Company and Moral Wealth, respectively

“%”

per cent.

For the purposes of this announcement, the exchange rate of RMB1 = HK\$1.14 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amounts has been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.

By Order of the Board
Sino-Ocean Land Holdings Limited
Sum Pui Ying
Company Secretary

Hong Kong, 9 December 2009

As at the date of this announcement, the Board comprises two executive directors of the Company, namely, Mr. Li Ming (Chief Executive Officer) and Mr. Chen Runfu; four non-executive directors of the Company, namely, Mr. Li Jianhong (Chairman), Mr. Luo Dongjiang (Vice Chairman), Mr. Liang Yanfeng and Mr. Yin Yingneng Richard; and four independent non-executive directors of the Company, namely, Mr. Tsang Hing Lun, Mr. Gu Yunchang, Mr. Han Xiaojing and Mr. Zhao Kang.

* For identification purpose only.