

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.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.



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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Subscription

On 24 December 2009, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue 934,000,000 Shares at the Subscription Price of HK\$6.23 per Share.

The Subscription Shares represent approximately 19.86% of the issued share capital of the Company as at the date of this announcement, and approximately 16.57% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM and the issue of the Subscription Shares will not be subject to the approval by the Shareholders.

SUBSCRIPTION AGREEMENT

Date:

24 December 2009

Parties:

- (a) The Company (as the issuer of the Subscription Shares); and
- (b) China Life Insurance Company Limited (as the Subscriber).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber is a third party independent of the Company and is not a connected person (as defined in the Listing Rules) of the Company.

Upon Completion of the Subscription, the Subscriber will be beneficially interested in 934,000,000 Shares, representing approximately 16.57% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Subscriber will accordingly become a substantial shareholder of the Company.

The Subscription Shares:

As at the date of this announcement, the Company had 4,702,626,432 Shares in issue. The 934,000,000 Subscription Shares representing approximately 19.86% of the existing issued share capital of the Company as at the date of this announcement, and approximately 16.57% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares under the Subscription will be HK\$747,200,000.

The Subscription Shares, when fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

The Subscription Price:

The Subscription Price is HK\$6.23 per Subscription Share.

The Subscription Price represents:

- (i) a discount of approximately 8.38% to the closing price of HK\$6.80 per Share as quoted on the Stock Exchange on 24 December 2009, being the date of the Subscription Agreement;
- (ii) a discount of approximately 6.60% to the average closing price of HK\$6.67 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 24 December 2009;
- (iii) a discount of approximately 12.75% to the average closing price of HK\$7.14 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 24 December 2009; and
- (iv) a discount of approximately 20.43% to the average closing price of HK\$7.83 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including 24 December 2009.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscriber and was determined in accordance with the terms of the Subscription Agreement as at the date of the Subscription Agreement with reference to, among other things, the prevailing market price of the Shares and the recent trading volume of the Shares. The Directors consider that the terms of the Subscription are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders of the Company as a whole.

Condition of the Subscription:

The obligation of the Subscriber to complete the Subscription for the Subscription Shares is subject to the fulfillment, prior to or simultaneously with Completion, of the following conditions, any one or more of which may be waived by the Subscriber:

- (i) at any time prior to Completion, there not being any breach of any of the Warranties by the Company, or any event rendering any of the Warranties untrue, incorrect or misleading;
- (ii) the Company having performed and complied in all respects with all of its agreements and obligations contained in the Subscription Agreement that are required to be performed or complied with by it on or before Completion;

- (iii) the issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate;
- (iv) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Subscription Shares (and such grant of listing and permission to deal not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares);
- (v) there not having occurred any material adverse change, or development (including the introduction of any new law or change in existing laws and regulations (or the judicial interpretation thereof) or any other similar event) (whether or not permanent) involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business affairs, trading position or prospects of any member of the Group or the Group as a whole, whether or not arising in the ordinary course of business; and
- (vi) there not having occurred any development which may render Completion by the Subscriber pursuant to the terms of the Subscription Agreement unlawful, in breach of regulations or impossible (including the introduction of any new law or change in existing laws and regulations (or the judicial interpretation thereof) or any other similar event)(whether or not permanent).

The obligation of the Company to complete the allotment and issue of the Subscription Shares is subject to the fulfillment by the Subscriber, prior to or simultaneously with Completion, of the following conditions, any one or more of which may be waived by the Company:

- (i) at any time prior to Completion, there not being any breach of any of the Subscriber Warranties by the Subscriber, or any event rendering any of the Subscriber Warranties untrue, incorrect or misleading;
- (ii) the Subscriber having performed and complied in all respects with all of its agreements and obligations contained in the Subscription Agreement that are required to be performed or complied with by it on or before Completion; and
- (iii) the Subscriber having duly executed the application letter for Shares in the Agreed Form addressed to the Company for the Subscription Shares to be allotted and issued to the Subscriber.

If the conditions set out above are not fulfilled or waived in accordance with the terms of the Subscription Agreement within 30 days after the date of the Subscription Agreement or such later date as may be agreed between the parties, the obligations and liabilities of the Company and the Subscriber in relation to the Transaction will (subject to limited exceptions) be terminated, and, unless otherwise agreed by the parties, neither the Company nor the Subscriber will have any claim against the other (save for those arising out of antecedent breaches).

Each of the Company and the Subscriber will use its reasonable endeavours to fulfill the conditions set out above. The Company undertakes to inform the Subscriber in writing promptly following the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in all of the Subscription Shares.

Director nomination:

After Completion and within 2010, the Subscriber may nominate one non-executive Director to the Board. As far as permissible under applicable laws, the Listing Rules and the articles of association of the Company, the non-executive Director nominated by the Subscriber will be appointed as soon as practicable after Completion.

Restriction on disposal:

The Subscriber undertakes that it will not during the one-year period commencing on the Completion Date, dispose of, enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the Subscription Shares or any beneficial or other interests therein, provided that the Subscriber will not be prevented from transferring the Subscription Shares to any of its Subsidiaries (the “Permitted Transferees”) where:

- (i) the Subscriber will be responsible for ensuring that the Permitted Transferees will comply with the above restriction on disposal and undertake in writing to the Company that they will be bound by the terms of the Subscription Agreement as if they were named as the Subscriber therein; and
- (ii) if at any time prior to the expiry of the one-year period commencing on the Completion Date, any of the Permitted Transferees ceases to be a Subsidiary of the Subscriber, such Permitted Transferee must (and the Subscriber will procure that it will), before ceasing to be a Subsidiary of the Subscriber, ensure that its entire interest in any Subscription Share be fully and effectively transferred to the Subscriber or to a Subsidiary of the Subscriber.

Issue of securities after Completion:

After Completion, where the Company proposes to issue new Shares, or interest in Shares or convertible securities, or grant any option, right or warrant to subscribe for any Shares or any interest in Shares or any convertible securities, the Company will, as far as permissible under applicable laws, regulations and securities listing rules, on the same terms and conditions, first accept the Subscriber's intent in subscribing for such new Shares or interest in Shares or convertible securities, or grant such option, right or warrant to the Subscriber, as applicable. If the Company provides to other parties a similar priority to subscribe for the Company's securities, the abovementioned right of the Subscriber will prevail.

Completion:

Completion of the Subscription will take place on the Completion Date, being the later of (i) the fifth Business Day after the date of the Subscription Agreement; (ii) the second Business Day after the Subscriber has received the notification that the Listing Committee has approved the listing of and permission to deal in the Subscription Shares; or (iii) such other date as the parties to the Subscription Agreement may agree.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM. The total number of issued Shares as at the date of the AGM was 4,671,298,000 Shares. Pursuant to the General Mandate, the total number of new Shares that the Company is authorized to issue is 934,259,600 Shares, representing 20% of the issued share capital of the Company as at the date of AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after Completion:

Name of Shareholder	Shareholding as at the date of this announcement		Shareholding immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
China Ocean Shipping (Group) Company (<i>Note i</i>)	949,937,399	20.20	949,937,399	16.85
Sinochem Group (<i>Note ii</i>)	594,301,000	12.64	594,301,000	10.55
Subscriber	—	—	934,000,000	16.57
Other Public Shareholders	<u>3,158,388,033</u>	<u>67.16</u>	<u>3,158,388,033</u>	<u>56.03</u>
Total	<u>4,702,626,432</u>	<u>100.00</u>	<u>5,636,626,432</u>	<u>100.00</u>

Notes:

- (i) The 949,937,399 Shares were beneficially owned by Sunny Wealth Investments Limited which was a wholly owned subsidiary of COSCO International Land Limited. COSCO International Land Limited was a wholly owned subsidiary of COSCO International Land (B.V.I.) Limited which in turn was wholly owned by COSCO (B.V.I.) Holdings Limited. COSCO (B.V.I.) Holdings Limited was a wholly owned subsidiary of COSCO International Holdings Limited. True Smart International Limited was interested in 59.87% of COSCO International Holdings Limited. True Smart International Limited was wholly owned by COSCO (Hong Kong) Group Limited which in turn was wholly owned by China Ocean Shipping (Group) Company.
- (ii) The 594,301,000 Shares were beneficially owned by Sinochem Hong Kong (Group) Company Limited which was wholly owned by Sinochem Corporation. Sinochem Group was interested in 98% of Sinochem Corporation.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months before the date of this announcement.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors consider that the Subscription offers a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group so as to facilitate its future development. The Directors consider that the Subscription is in the interests of the Company and the Shareholders of the Company as a whole.

The gross proceeds of the Subscription will be approximately HK\$5,819 million. The net proceeds (after deducting all applicable costs and expenses of the Subscription) of approximately HK\$5,818 million (being a net subscription price of approximately HK\$6.23 per Share) from the Subscription is intended for general working capital purposes of the Group.

INFORMATION ON THE SUBSCRIBER

The Subscriber is one of the leading life insurance companies in the PRC. It offers individual and group life insurance policies, annuity contracts, long-term health insurance policies and short-term health insurance policies.

DEFINITIONS

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

“Agreed Form”	in relation to any document, the form of that document which has been initialed for the purpose of identification by the Company and the Subscriber or otherwise by or on behalf of the Company and the Subscriber
“AGM”	the annual general meeting of the Company held on 15 May 2009
“Board”	the board of Directors for the time being
“Business Day”	any day (excluding Saturday and Sunday) on which banks generally are open for business in Hong Kong
“Completion”	completion of the Subscription in accordance with the terms and conditions as set out in the Subscription Agreement
“Completion Date”	the later of (i) the fifth Business Day after the date of the Subscription Agreement; (ii) the second Business Day after the Subscriber has received the notification that the Listing Committee has approved the listing of and permission to deal in the Subscription Shares; and (iii) such other date as the parties to the Subscription Agreement may agree

“Company”	Sino-Ocean Land Holdings Limited, a company incorporated under the laws of Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“General Mandate”	the mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of par value HK\$0.80 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	China Life Insurance Company Limited (中國人壽保險股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2628)
“Subscriber Warranties”	the representations and warranties of the Subscriber set forth in the Subscription Agreement
“Subscription”	The subscription of the Subscription Shares by the Subscriber pursuant to the terms of the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 24 December 2009 between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$6.23 per Subscription Share
“Subscription Shares”	934,000,000 Shares to be subscribed for by the Subscriber under the Subscription Agreement
“Subsidiary”	has the meaning prescribed in the Listing Rules
“substantial shareholder”	has the meaning prescribed in the Listing Rules
“Transaction”	the issuance by the Company and the subscription by the Subscriber of the Subscription Shares pursuant to the Subscription Agreement
“Warranties”	the representations and warranties of the Company set forth in the Subscription Agreement

By Order of the Board
Sino-Ocean Land Holdings Limited
Li Jianhong
Chairman

Hong Kong, 27 December 2009

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