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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 OF  
CITYSHINE HOLDINGS LIMITED**

On 29 December 2009, the Vendor and the Purchaser, which is a wholly-owned subsidiary of the Company, entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell to the Purchaser, and the Purchaser has conditionally agreed to purchase from the Vendor, the entire issued share capital of the Target Company held by the Vendor subject to the conditions and in accordance with the terms of the Agreement.

The Vendor holds the entire issued share capital of the Target Company. The Target Company, through its wholly-owned subsidiaries, holds 20% equity interest in the Property Company, which in turn is an indirect subsidiary of the Company. As such, the Vendor is the substantial shareholder of an indirect subsidiary 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 exceeds 0.1% but is less than 2.5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

## **INTRODUCTION**

On 29 December 2009, the Vendor and the Purchaser, which is a wholly-owned subsidiary of the Company, entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell to the Purchaser, and the Purchaser has conditionally agreed to purchase from the Vendor, the entire issued share capital of the Target Company held by the Vendor subject to the conditions and in accordance with the terms of the Agreement.

## **THE AGREEMENT**

- Date : 29 December 2009
- Parties : The Vendor  
The Purchaser, which is a wholly-owned subsidiary of the Company
- Assets to be acquired : 100% equity interest in the Target Company
- Consideration : In consideration of the Vendor's transfer of the entire issued share capital of the Target Company, the Purchaser will, subject to satisfaction of all of the Conditions (unless otherwise waived by the Purchaser if waivable) and due performance by the Vendor of all of his obligations required to be performed upon Completion:
- (i) pay to the Vendor an amount of RMB100,793,186.06 (equivalent to approximately HK\$114,904,000) in cash upon Completion; and
  - (ii) assume the liability of the Target Company in an amount of RMB15,000,000 (equivalent to approximately HK\$17,100,000) upon Completion.

## **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, (1) revaluation of the Property Project with reference to the property valuation of the Property Project as at 30 June 2009 conducted by an independent valuer, namely DTZ Debenham Tie Leung Limited, by using the capitalization of net rental income

method, based on which the appraised value attributable to the unsold portion of the Property Project was RMB2,506 million (equivalent to approximately HK\$2,857 million) as at 30 June 2009; and (2) the total asset value of the Target Company as at 30 November 2009 of approximately RMB16,501,000 (equivalent to approximately HK\$18,811,000) based on the unaudited financial statements of the Target Company prepared in accordance with the IFRS as at 30 November 2009.

## **CONDITIONS PRECEDENT**

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

- (1) the Vendor having delivered all books and records of the Target Company to the Purchaser;
- (2) all representations and warranties made by the Vendor under the Agreement shall remain true, accurate and complete as at the date of Completion;
- (3) the Vendor 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); and
- (5) all approvals, permissions, consents, filings and registration certificates required for the execution and performance of the Agreement having been obtained or completed by the Vendor, and having been delivered to the Purchaser by the Vendor.

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

## **FINANCIAL INFORMATION OF THE TARGET COMPANY AND THE PROPERTY COMPANY**

The unaudited consolidated net liability of the Target Company as at 30 November 2009 was approximately RMB692,000 (equivalent to approximately HK\$789,000).

The unaudited consolidated net loss before and after taxation of the Target Company from 12 November 2009 (date of incorporation) to 30 November 2009 was approximately RMB692,000 (equivalent to approximately HK\$789,000).

The unaudited net asset value of the Property Company as at 30 November 2009 was approximately RMB321,210,000 (equivalent to approximately HK\$366,179,000).

The audited net loss of the Property Company for the year ended 31 December 2007 was approximately RMB8,334,000 (equivalent to approximately HK\$9,501,000). The audited net profits before and after taxation of the Property Company for the year ended 31 December 2008 were approximately RMB196,199,000 (equivalent to approximately HK\$223,667,000) and RMB105,814,000 (equivalent to approximately HK\$120,628,000), respectively.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Company considers that the Property Project is a valuable property located in one of the most desirable prime areas in Beijing. Upon Completion of the Transaction, the Property Project will become indirectly wholly-owned by the Company, which will enable the Company to have higher autonomy in the management of the Property Company, and will give greater flexibility for the Company to formulate the sale and marketing strategies in respect of the Property Project.

Based on the above, the Directors (including the independent non-executive Directors) 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**

The Vendor holds the entire issued share capital of the Target Company. The Target Company, through its wholly-owned subsidiaries, holds 20% equity interest in the Property Company, which in turn is an indirect subsidiary of the Company. As such, the Vendor is the substantial shareholder of an indirect subsidiary 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 exceeds 0.1% but is less than 2.5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

## 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.

## DEFINITIONS

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

“Agreement”	the Agreement dated 29 December 2009 entered into between the Vendor and the 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 section headed “Conditions Precedent” in this announcement
“connected person”	having the meaning ascribed to such term in the Listing Rules
“Consideration”	the total consideration for the sale and purchase of the entire issued share capital of the Target Company pursuant to the Agreement as set out in paragraphs (i) and (ii) in the sub-section headed “Consideration” under the section headed “The Agreement” of this announcement
“Director(s)”	director(s) of the Company

“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“Property Company”	北京龍澤源置業有限公司 (Beijing Long Ze Yuan Property Company Limited*), a limited liability company established under the laws of the PRC and the equity interest of which is held as to 80% indirectly by the Company and as to 20% indirectly by the Target Company
“Property Project”	the property project located at 中國北京市朝陽區金桐西路10號遠洋•光華國際 (Ocean Office Park, 10 Jintong Road West, Chaoyang District, Beijing, PRC*), the PRC which is held by the Property Company
“Purchaser”	Sino-Ocean Land (Hong Kong) Limited, a company incorporated with limited liability under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) which is a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“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”	Cityshine Holdings Limited, a company incorporated under the laws of the British Virgin Islands, the entire issued share capital of which is held by the Vendor

“Transaction”	the sale and purchase of the entire issued share capital of the Target Company contemplated under the Agreement
“Vendor”	Liu Ping
“%”	per cent.

\* *For identification purpose only.*

*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**  
**Li Jianhong**  
*Chairman*

Hong Kong, 29 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.*