

Sino-Ocean Land (Perpetual Finance) Limited

(Incorporated in British Virgin Island with limited liability)

The Board of Directors of Sino-Ocean Land (Perpetual Finance) Limited (the “**Company**”) announces that Sino-Ocean Land Holdings Limited, the Company’s parent company, has released an announcement of Connected Transaction and the announcement as attached has been posted on the websites of The Stock Exchange of Hong Kong Limited and Sino-Ocean Land Holdings Limited.

By Order of the Board

Sino-Ocean Land (Perpetual Finance) Limited

CHUNG Kai Cheong

Director

3 December 2015

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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 ZHAO DE LAND LIMITED**

The Board is pleased to announce on 3 December 2015, the First Vendor, Second Vendor, the Purchaser (an indirect wholly-owned subsidiary of the Company) and SOL HK entered into the Agreements, pursuant to which, among other things, the First Vendor and Second Vendor have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 86.33% issued share capital of Zhao De held by the First Vendor and 13.67% issued share capital of Zhao De held by the Second Vendor subject to the conditions and in accordance with the respective terms of the Agreements.

As at the date of this announcement, Ms. Chen Wai Wai Vivien (“Ms. Chen”) held a long position in 1,601,327,956 shares of the Company (representing approximately 21.3% of the total issued share capital of the Company), comprising: (a) 1,526,769,821 shares held under the estate of Mr. Chen Din Hwa of which Ms. Chen is one of the executors; and (b) 74,558,135 shares of the Company owned by Gentfull Investment Limited which was indirect wholly-owned by Ms. Chen. The executors under the estate of Mr. Chen Din Hwa held a long position in 1,526,769,821 shares of the Company (representing approximately 20.3% of the issued share capital of the Company) through various members of the NF Group, and are substantial shareholders of the Company. Being a member of NF Group, each of the First Vendor and Zhao De is also a connected person of the Company for the purpose of Chapter 14A of the Listing Rules and therefore, the entering into of the transactions contemplated under the First Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratios as defined under the Listing Rules calculated in respect of the transactions under the Agreements exceed 0.1% but fall below 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the transactions are subject to reporting and announcement requirements as set out under Chapter 14A of the Listing Rules but are exempt from independent shareholders’ approval requirement.

INTRODUCTION

The Board is pleased to announce on 3 December 2015, the First Vendor, Second Vendor, the Purchaser (an indirect wholly-owned subsidiary of the Company) and SOL HK entered into the Agreements, pursuant to which, among other things, the First Vendor and Second Vendor have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 86.33% issued share capital of Zhao De held by the First Vendor and 13.67% issued share capital of Zhao De held by the Second Vendor subject to the conditions and in accordance with the respective terms of the Agreements.

THE AGREEMENTS

First Agreement

The principal terms of the First Agreement are as follows:

- | | |
|----------------------------------|---|
| Date | : 3 December 2015 |
| Parties | : (i) the First Vendor, as vendor
(ii) the Purchaser, as purchaser
(iii) SOL HK, as guarantor for the Purchaser |
| Assets to be acquired | : 86.33% issued share capital of Zhao De (representing 100% of the A shares of Zhao De) |
| Consideration and payment | <p>The consideration of HKD770,578,548.2 shall be settled in following manner:</p> <ul style="list-style-type: none">(a) HKD35,000,000 to be paid upon the execution of the Agreement (the “First Instalment”);(b) aggregate payment up to HKD51,819,073 on or before 31 March 2016 (the “Second Instalment”);(c) aggregate payment up to HKD411,198,810.6 on the earlier of 31 March 2017 or within 15 business days after New Total Project Sales (as defined hereinafter) reaches RMB1 billion;(d) aggregate payment up to HKD590,888,679.4 within 15 business days after New Total Project Sales (as defined hereinafter) reaches RMB1.2 billion; and(e) regardless of whether (d) above is achieved, the balance to be paid on the earlier of 31 March 2018 or within 15 business days after New Total Project Sales reaches RMB1.4 billion. |

The Purchaser shall notify the First Vendor in writing within ten business days after the relevant New Total Project Sales amounts for the Target Project are achieved and furnish to the First Vendor all documents reasonably required by the First Vendor for the verification of such sales amounts.

“**New Total Project Sales**” refers to the aggregate of sales (consideration) amounts specified in all commodity housing sale or pre-sale contracts entered into between the Project Company and individual owners in respect of any portion of the Target Project after the date of execution of the Agreement.

The consideration may be subject to adjustment based on the amount of net assets/liabilities of the Project Company if the Purchaser elects to conduct an audit of the financial conditions of the Project Company for the period from 1 January 2015 to the date of execution of the First Agreement. In any event, the adjustment amount shall not exceed 86.33% of RMB200 million (equivalent to approximately 86.33% of HKD243,605,000 or HKD210,304,000).

The consideration was determined by parties after arm’s length negotiations with reference to the net asset value of Zhao De Group as at 30 September 2015 and the appraised value of the Target Project as appraised by an independent professionally qualified valuer based on direct market comparison approach. The consideration will be funded from internal resources of the Group.

Completion

Subject to the receipt of the Second Instalment, the date of completion shall be 31 March 2016 (or a later date agreed between the Purchaser and the First Vendor in writing).

Guarantee

SOL HK has agreed to guarantee the obligations of the Purchaser under the First Agreement.

Loan Repayment Deed

The Purchaser, Zhao De, the First Vendor and SOL HK have also entered into a loan repayment deed on 3 December 2015 in respect of the First Agreement, pursuant to which the Purchaser shall, on behalf of Zhao De, repay by instalments a loan of HKD427,353,910.5 advanced by the First Vendor with the last due date being 31 March 2016, and SOL HK have agreed to provide a guarantee in respect of the payment obligations of Zhao De.

Second Agreement

The principal terms of the Second Agreement are as follows:

- Date** : 3 December 2015
- Parties** : (i) the Second Vendor, as vendor
(ii) the Purchaser, as purchaser
(iii) SOL HK, as guarantor for the Purchaser
- Assets to be acquired** : 13.67% issued share capital of Zhao De (representing 100% of the B shares of Zhao De)
- Consideration and payment** : The consideration of HKD112,823,806.5 shall be settled in the following manner:
- (a) HKD4,865,004.2 to be paid upon the execution of the Agreement (the “**First Instalment**”);
 - (b) aggregate payment up to HKD31,854,704.8 on or before 31 March 2016 (the “**Second Instalment**”);
 - (c) aggregate payment up to HKD72,339,255.7 on the earlier of 31 March 2017 or within 15 business days after New Total Project Sales reaches RMB1 billion;
 - (d) subject to the Onshore Transfer Completion, aggregate payment up to HKD92,581,531.1 within 15 business days after New Total Project Sales reaches RMB1.2 billion; and
 - (e) regardless of whether (d) above is achieved, subject to the Onshore Transfer Completion, the balance to be paid on the earlier of 31 March 2018 or within 15 business days after New Total Project Sales reaches RMB1.4 billion.

The Purchaser shall notify the Second Vendor in writing within ten business days after the relevant New Total Project Sales amounts for the Target Project are achieved and furnish to the Second Vendor all documents reasonably required by the Second Vendor for the verification of such sales amounts.

The consideration may be subject to adjustment based on the amount of net assets/liabilities of the Project Company, if the Purchaser elects to conduct an audit of the financial conditions of the Project Company for the period from 1 January 2015 to the date of execution of the Second Agreement. In any event, the adjustment amount shall not exceed 13.67% of RMB200 million (equivalent to approximately 13.67% of HKD243,605,000 or HKD33,301,000).

The consideration was determined by parties after arm's length negotiations with reference to the net asset value of Zhao De Group as at 30 September 2015 and the appraised value of the Target Project as appraised by an independent professionally qualified valuer based on direct market comparison approach. The consideration will be funded from internal resources of the Group.

Completion

Subject to the receipt of the Second Instalment, the date of completion shall be 31 March 2016 (or a later date agreed between the Purchaser and the Second Vendor).

Guarantee

SOL HK has agreed to guarantee the obligations of the Purchaser under the Second Agreement.

Loan Repayment Deed

The Purchaser, Zhao De, the Second Vendor and SOL HK have also entered into a loan repayment deed in respect of the Second Agreement, pursuant to which the Purchaser shall, on behalf of Zhao De, repay a loan of HKD12,930,563.1 advanced by the Second Vendor on 3 December 2015 and SOL HK have agreed to provide guarantee in respect of the payment obligations of Zhao De.

INFORMATION ON ZHAO DE AND THE PROJECT COMPANY

Zhao De is a company incorporated in the British Virgin Islands with limited liability on 20 June 2000 and is held as to 86.33% and 13.67% by the First Vendor and Second Vendor, respectively. Zhao De is an investment holding company that directly holds 98.27% equity interest in the Project Company.

The Project Company was established under the laws of the PRC with limited liability on 26 May 2004 and is held as to 98.27% and 1.73% by Zhao De and Sanya Kaihua, respectively. The Project Company is the developer of the Target Project. It is proposed that Sanya Kaihua as seller and Zhao De as purchaser will enter into an equity transfer agreement in the future for the acquisition of the remaining 1.73% interest in the Project Company.

To the best of the Company's knowledge and after making reasonable enquiries, the original acquisition cost and subsequent investment including shareholder's loan and advances contributed by NF Group in relation to acquisition up to current holding of 86.33% of the issued share capital in Zhao De since its acquisition amounted to approximately HKD1 billion.

Details of the Target Project are set out below:

Location of the project	Project description	Total GFA (Approximately)
Taiyangwan Road, Yalongwan Tourism Resort, Jiyang District, Sanya	Services apartment and villa	177,000 sq.m.

Financial information of Zhao De Group

Based on the unaudited consolidated accounts of the Zhao De Group prepared in accordance with the International Financial Reporting Standards, the unaudited consolidated net assets or liabilities as at 30 September 2015 and unaudited profit or loss of the Zhao De Group for the years ended 31 December 2013 and 2014 and the nine months ended 30 September 2015 were as follows:

	For the year ended 31 December 2013 (HKD'000)	For the year ended 31 December 2014 (HKD'000)	For the nine months ended 30 September 2015 (HKD'000)
Net profit/(loss) before taxation	121,844	(29,829)	154,528
Net profit/(loss) after taxation	73,613	(28,712)	100,773

As at 30 September 2015, the unaudited consolidated total asset value and net asset value of the Zhao De Group amounted to approximately HKD1,931 million and HKD205 million, respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

The entering into of the Agreements and the transactions contemplated thereby allow the Group to gain control of the Target Project which is located in a prime area in Sanya City, the PRC and would strengthen the Group's presence in the southern region property market with well-established management team and expertise.

DIRECTORS' CONFIRMATION

The Board (including the independent non-executive Directors) considers that the Agreements is on normal commercial terms and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Except for Mr. Kwok Kin Ho, an executive Director of the Company and Mr. Yang Leyu, a non-executive Director of the Company, who are nominated by NF International and are deemed to have material interests in the transaction contemplated under the Agreements, no other Director is required to abstain from voting on the board resolution of the Company to approve the entering into of the Agreements and the transactions contemplated thereunder.

IMPLICATIONS UNDER LISTING RULES

As at the date of this announcement, Ms. Chen Wai Wai Vivien (“**Ms. Chen**”) held a long position in 1,601,327,956 shares of the Company (representing approximately 21.3% of the total issued share capital of the Company), comprising: (a) 1,526,769,821 shares held under the estate of Mr. Chen Din Hwa of which Ms. Chen is one of the executors; and (b) 74,558,135 shares of the Company owned by Gentfull Investment Limited. Gentfull Investment Limited was wholly-owned by Nan Fung Resources Limited. Nan Fung Resources Limited was wholly-owned by Crosby Investment Holdings Inc., which in turn was wholly-owned by Ms. Chen. The executors under the estate of Mr. Chen Din Hwa held a long position in 1,526,769,821 shares of the Company (representing approximately 20.3% of the issued share capital of the Company) through various members of the NF Group, and are substantial shareholders of the Company. Being a member of NF Group, each of the First Vendor and Zhao De is also a connected person of the Company for the purpose of Chapter 14A of the Listing Rules and therefore, the entering into of the transactions contemplated under the First Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules.

To the best knowledge of the Directors, the Second Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Since the highest applicable percentage ratios as defined under the Listing Rules calculated in respect of the transactions under the Agreements exceed 0.1% but fall below 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the transactions are subject to reporting and announcement requirements as set out under Chapter 14A of the Listing Rules but are exempt from independent shareholders’ approval requirement.

GENERAL INFORMATION

The Company is a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business activity of the Company is investment holding. The Group is one of the leading property developers with developments in key economic regions in the PRC and actively accomplishing the Group’s national strategic plan with a coastal and riparian focus. The Group focuses on developing mid- to high-end residential properties, high-end office premises and retail properties.

To the best of the knowledge of the Directors; (i) the principal activity of the First Vendor is investment holding; (ii) the principal activities of the NF Group are property development, property investment, construction, property management, investment and financing; and (iii) the principal business of the Second Vendor is investment holding.

DEFINITIONS

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

“Agreements”	the First Agreement and the Second Agreement
“associate”	has the same meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Sino-Ocean Land Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03377)
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“First Agreement”	the conditional sale and purchase agreement dated 3 December 2015 between the Purchaser, the First Vendor and SOL HK in relation to Zhao De
“First Vendor”	Newrich Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of NF International
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKD” or “Hong Kong Dollars”	the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NF Group”	a privately owned group of companies and business interests under the control of the estate of Mr. Chen Din Hwa (deceased) carrying on business under the trade name of “Nan Fung”, which holds approximately 20.3% of the issued share capital of the Company and is a substantial shareholder of the Company, is principally engaged in the business of property development, property investment, construction, property management, investment and financing and “a member of the Nan Fung Group” shall mean any of them

“NF International”	Nan Fung International Holdings Limited, a company incorporated in the British Virgin Islands and a member of the NF Group
“Onshore Transfer Completion”	the completion of the acquisition by SOL or its related party of 1.73% equity interest in the Project Company from Sanya Kaihua
“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 Company”	Sanya Deshang Real Estate Development Co. Ltd.* (三亞德商房地產開發有限公司), a company established in the PRC with limited liability
“Purchaser”	Cheery Link Developments Limited, a company incorporated in British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sanya Kaihua”	Sanya Kaihua Industrial Co., Ltd* (三亞凱華實業有限公司), a company established in the PRC with limited liability
“Second Agreement”	the conditional sale and purchase agreement dated 3 December 2015 between the Purchaser, the Second Vendor and SOL HK in relation to Zhao De
“Second Vendor”	Good Estate Group Limited, a company incorporated in the British Virgin Islands with limited liability
“SOL HK”	Sino-Ocean Land (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Project”	the property development project located at Taiyangwan Road, Yalongwan Tourism Resort, Jiyang District, Sanya, the PRC
“Zhao De”	Zhao De Land Limited, a company incorporated in the British Virgin Islands with limited liability
“Zhao De Group”	Zhao De and the Project Company

For the purposes of this announcement, the exchange rate of HKD1 = RMB0.821 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.

** for identification purposes only*

By order of the Board
Sino-Ocean Land Holdings Limited
CHUNG Kai Cheong
Company Secretary

Hong Kong, 3 December 2015

As at the date of this announcement, the directors of the Company comprise:

Executive directors:

Mr. LI Ming
Ms. LIU Hui
Mr. KWOK Kin Ho
Mr. CHEN Runfu
Mr. WEN Haicheng

Non-executive directors:

Mr. YANG Zheng
Mr. FANG Jun
Mr. YANG Leyu

Independent non-executive directors:

Mr. TSANG Hing Lun
Mr. GU Yunchang
Mr. HAN Xiaojing
Mr. ZHAO Kang