

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 Transactions 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

SUM Pui Ying

Director

3 April 2014

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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 TRANSACTIONS —
ACQUISITION OF EQUITY INTERESTS
IN THREE PROJECT COMPANIES**

The Board announces that:

- (i) on 5 August 2013, the Vendor and the Purchaser (a wholly-owned subsidiary of the Company) entered into the Yuanheng Cooperation Agreement in respect of, among other things, the development of the Nantou Project through Yuanheng, pursuant to which the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor 51% of the equity interest in Yuanheng held by the Vendor;
- (ii) on 31 August 2013, the Vendor and Beijing Yuansheng (a wholly-owned subsidiary of the Company) entered into the Second Yuanheng Equity Transfer Agreement, pursuant to which the Vendor agreed to sell to Beijing Yuansheng and Beijing Yuansheng agreed to purchase from the Vendor 10% of the equity interest in Yuanheng held by the Vendor;
- (iii) on 30 December 2013, the Vendor and the Purchaser entered into the Dongfeng Cooperation Agreement in respect of, among other things, the development of the Dongfeng Project through Boxin, pursuant to which the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor 51% of the equity interest in Boxin held by the Vendor; and
- (iv) on 3 April 2014, the Vendor and the Purchaser entered into the Shengxin Cooperation Agreement in respect of, among other things, the development of the Lianxingwei Project through Shengxin, pursuant to which the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor 51% of the equity interest in Shengxin held by the Vendor.

LISTING RULES IMPLICATIONS

The Vendor, which is a substantial shareholder of Zhongshan Yuanjian Real Estate Development Company Limited* (中山市遠見房地產開發有限公司) (a subsidiary of the Company), constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions under the Agreements constitute connected transactions for the Company under the Listing Rules. Under the Listing Rules, the Agreements are required to be aggregated as they are entered into with the same party and/or completed within a 12-month period. As the applicable percentage ratios in respect of the Agreements, on an aggregated basis, exceeds 1% but is less than 5%, the Agreements are only subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirement under the Listing Rules.

INTRODUCTION

The Board announces that:

- (i) on 5 August 2013, the Vendor and the Purchaser (a wholly-owned subsidiary of the Company) entered into the Yuanheng Cooperation Agreement in respect of, among other things, the development of the Nantou Project through Yuanheng, pursuant to which the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor 51% of the equity interest in Yuanheng held by the Vendor;
- (ii) on 31 August 2013, the Vendor and Beijing Yuansheng (a wholly-owned subsidiary of the Company) entered into the Second Yuanheng Equity Transfer Agreement, pursuant to which the Vendor agreed to sell to Beijing Yuansheng and Beijing Yuansheng agreed to purchase from the Vendor 10% of the equity interest in Yuanheng held by the Vendor;
- (iii) on 30 December 2013, the Vendor and the Purchaser entered into the Dongfeng Cooperation Agreement in respect of, among other things, the development of the Dongfeng Project through Boxin and pursuant to which the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor 51% of the equity interest in Boxin held by the Vendor; and
- (iv) on 3 April 2014, the Vendor and the Purchaser entered into the Shengxin Cooperation Agreement in respect of, among other things, the development of the Lianxingwei Project through Shengxin, pursuant to which the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor 51% of the equity interest in Shengxin held by the Vendor.

(I) THE YUANHENG COOPERATION AGREEMENT

The principal terms of the Yuanheng Cooperation Agreement are set out below:

Date : 5 August 2013

Parties : (i) The Vendor as vendor
(ii) The Purchaser as purchaser
(iii) Yuanheng as the target company

Acquisition of 51% equity interest in Yuanheng

The Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor 51% of the equity interest in Yuanheng held by the Vendor for a consideration of RMB25,500,000.

Upon completion of the sale and purchase of 51% equity interest in Yuanheng, which occurred on 26 September 2013, the Vendor and the Purchaser held 49% and 51%, respectively of the equity interest in Yuanheng, and Yuanheng became a non-wholly owned subsidiary of the Company.

Consideration

The total consideration payable by the Purchaser to the Vendor for the 51% equity interest in Yuanheng is RMB25,500,000. In addition, the Purchaser undertook to provide RMB22,240,000 to the Vendor through Yuanheng within two months after completion of acquisition of the Yuanheng Project by Purchaser, as repayment of the Vendor's initial capital contribution to Yuanheng.

The relevant equity transfer agreement was entered into between the Vendor and the Purchaser on 5 August 2013, and the consideration of RMB25,500,000 in cash was settled in full by the Purchaser on 30 September 2013.

Board composition and management of Yuanheng

The board of Yuanheng will comprise five directors, of which three directors will be nominated by the Purchaser and two directors will be nominated by Vendor. The chairman of the board of Yuanheng will also be the legal representative of Yuanheng and will be nominated by the Purchaser.

Yuanheng will have two supervisors, of which one supervisor will be nominated by the Purchaser and one supervisor will be nominated by the Vendor. Each supervisor will be appointed for an initial term of three years and may be reappointed upon expiry of the initial term. The party nominating the supervisor shall be responsible for his/her remuneration.

Yuanheng will have one general manager, several vice general managers and one financial controller, all of which will be appointed by the board of Yuanheng. The Purchaser will nominate the general manager and the financial controller.

(II) THE SECOND YUANHENG EQUITY TRANSFER AGREEMENT

The principal terms of the Second Yuanheng Equity Transfer Agreement are set out below:

Date : 31 August 2013

Parties : (i) The Vendor as vendor
(ii) Beijing Yuansheng as purchaser

Assets to be acquired : 10% equity interest in Yuanheng

Consideration : RMB5,000,000 payable in cash

The consideration was settled in full by Beijing Yuansheng on 30 September 2013. Upon completion of the Second Yuanheng Equity Transfer Agreement, which occurred on 30 September 2013, the Vendor, the Purchaser and Beijing Yuansheng held 39%, 51% and 10%, respectively of the equity interest in Yuanheng, and that the Company held an indirect interest of 61% in Yuanheng.

(III) THE DONGFENG COOPERATION AGREEMENT

The principal terms of the Dongfeng Cooperation Agreement are set out below:

Date : 30 December 2013

Parties : (i) The Vendor as vendor
(ii) The Purchaser as purchaser

Acquisition of 51% equity interest in Boxin

Pursuant to the Dongfeng Cooperation Agreement, the Vendor agreed to: (i) establish Boxin within 15 days of the signing of the Dongfeng Cooperation Agreement; and (ii) transfer the state-owned land use right of the Dongfeng Project to Boxin within 10 days of establishing Boxin. It was further agreed that within five days after the completion of the transfer of the state-owned land use right of the Dongfeng Project to Boxin, the Vendor and the Purchaser shall enter into an equity transfer agreement whereby the Vendor will sell and the Purchaser will purchase 51% of the equity interest in Boxin. Boxin was established on 2 January 2014 and the relevant equity transfer agreement was entered into on 9 March 2014.

Upon completion of the sale and purchase of 51% equity interest in Boxin, which occurred on 14 March 2014, the Vendor and the Purchaser held 49% and 51%, respectively of the equity interest in Boxin, and Boxin became a non-wholly owned subsidiary of the Company.

Consideration

The total consideration payable by the Purchaser to the Vendor for the 51% equity interest in Boxin is RMB15,300,000.

The relevant equity transfer agreement was entered into between the Vendor and the Purchaser on 9 March 2014, and the consideration of RMB15,300,000 in cash was settled in full by the Purchaser on 18 March 2014.

Board composition and management of Boxin

The board of Boxin will comprise five directors, of which three directors will be nominated by the Purchaser and two directors will be nominated by Vendor. The chairman of the board of Boxin will also be the legal representative of Boxin and will be nominated by the Purchaser.

Boxin will have two supervisors, of which one supervisor will be nominated by the Purchaser and one supervisor will be nominated by the Vendor. Each supervisor will be appointed for an initial term of three years and may be reappointed upon expiry of the initial term. The party nominating the supervisor shall be responsible for his/her remuneration.

Boxin will have one general manager, several vice general managers and one financial controller, all of which will be appointed by the board of Boxin. The Purchaser will nominate the general manger and the financial controller.

(IV) THE SHENGXIN COOPERATION AGREEMENT

The principal terms of the Shengxin Cooperation Agreement are as set out below:

Date : 3 April 2014

Parties : (i) The Vendor as vendor
(ii) The Purchaser as purchaser
(iii) Shengxin as the target company

Acquisition of 51% equity interest in Shengxin

The Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor 51% of the equity interest in Shengxin held by the Vendor. The relevant equity transfer agreement will be entered within five business days after the signing of the Shengxin Cooperation Agreement. Upon completion of the sale and purchase of 51% equity interest in Shengxin, the Vendor and the Purchaser will hold 49% and 51%, respectively of the equity interest in Shengxin, and Shengxin will become a non-wholly owned subsidiary of the Company.

Consideration

The total consideration payable by the Purchaser to the Vendor for 51% equity interest in the Shengxin is RMB14,280,000. In addition, the Purchaser undertook to provide RMB69,390,000 in entrusted loans to Shengxin within 10 business days after the registration of the equity transfer.

As Shengxin has obtained a bank loan of RMB240,000,000 to fund the development and construction costs of the Lianxingwei Project in January 2014, the Vendor and the Purchaser further agreed to assist in providing guarantees in respect of the bank loan within two months of the completion of the equity transfer.

Payment of consideration

The Purchaser agreed to pay the Vendor the consideration in the amount of RMB14,280,000 in cash within five days after signing of the relevant equity transfer agreement.

Put option

Pursuant to the Shengxin Cooperation Agreement, an option was granted to the Purchaser pursuant to which the Purchaser has the right to, within six months after 90% of the above-ground total saleable area of the Lianxingwei Project (excluding the central business area) has been sold, sell the equity interest held by the Purchaser in Shengxin to the Vendor based on the fair market value of Shengxin.

Board composition and management of Shengxin

The board of Shengxin will comprise five directors, of which three directors will be nominated by the Purchaser and two directors will be nominated by Vendor. The chairman of the board of Shengxin will also be the legal representative of Shengxin and will be nominated by the Purchaser.

Shengxin will have two supervisors, of which one supervisor will be nominated by the Purchaser and one supervisor will be nominated by the Vendor. Each supervisor will be appointed for an initial term of three years and may be reappointed upon expiry of the initial term. The party nominating the supervisor shall be responsible for his/her remuneration.

Shengxin will have one general manager, several vice general managers and one financial controller, all of which will be appointed by the board of Shengxin. The Purchaser will nominate the general manager and the financial controller.

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 three projects located in prime areas of the PRC and would strengthen the Group's presence in the Zhongshan property market with well-established management team and expertise.

The consideration payable by the Purchaser and Beijing Yuansheng under the Agreements were determined after arm's length negotiations between the parties by reference to the market value of lands adjacent to the target projects. The consideration will be financed by the Group's internal funding.

INFORMATION ON THE GROUP

The Group is one of the leading property developers in Beijing and the Pan-Bohai Rim and is actively accomplishing its 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.

The Purchaser is a company established in the PRC and a wholly-owned subsidiary of the Company. It is principally engaged in property development.

Beijing Yuansheng is a company established in the PRC and a wholly-owned subsidiary of the Company. It is principally engaged in property development project related investment.

INFORMATION ON THE VENDOR

The Vendor is a private enterprise established in the PRC which is mainly engaged in property development and operation. The Vendor's business activities include property development, property management, commerce and indoor decoration. Its subsidiaries and projects are located at various areas of Zhongshan City.

INFORMATION ON THE TARGET COMPANIES

Details of the Nantou Project, Dongfeng Project and Lianxingwei Project which are held by Yuanheng and Shengxin or proposed to be acquired by Boxin, respectively, are set out as follows:

Projects name	Location of projects	Projects description	Total GFA (planned)	Land cost (including deed tax) <i>RMB million</i>
Nantou Project	Bei Di Village, Nantou Town, Zhongshan City, the PRC	Commercial and residential properties	Approximately 372,000 sq.m.	250
Dongfeng Project	Min Le Village, Dongfeng Town, Zhongshan City, the PRC	Residential properties	Approximately 199,000 sq.m.	107
Lianxingwei Project	Jin Sha Xi Road, Caihong Road, Zhongshan City West, the PRC	Commercial and residential properties	Approximately 148,000 sq.m.	65

Depending on the future working capital requirements for developing the above projects, the Group and the Vendor may provide financial assistance by way of shareholders' loans or corporate guarantees with respect to bank loans in relation to the above projects.

The unaudited financial information of Yuanheng, Shengxin and Boxin are set out as follows:

Target Company	Net profit for the year ended 31 December 2013 (RMB'000)	Net profit for the year ended 31 December 2012 (RMB'000)	Net asset value as at 31 December 2013 (RMB'000)
Yuanheng	472 (before taxation) 354 (after taxation)	N/A N/A	50,354
Boxin	N/A	N/A	N/A
Shengxin	0 (before taxation) 0 (after taxation)	0 (before taxation) 0 (after taxation)	28,000

Note: As Boxin was established on 2 January 2014, its financial information on or before 31 December 2013 is not available.

LISTING RULES IMPLICATIONS

The Vendor, which is a substantial shareholder of Zhongshan Yuanjian Real Estate Development Company Limited* (中山市遠見房地產開發有限公司) (a subsidiary of the Company), constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions under the Agreements constitute connected transactions for the Company under the Listing Rules. Under the Listing Rules, the Agreements are required to be aggregated as they are entered into with the same party and/or completed within a 12-month period. As the applicable percentage ratios in respect of the Agreements, on an aggregated basis, exceeds 1% but is less than 5%, the Agreements are only subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirement under the Listing Rules.

DIRECTORS' CONFIRMATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreements are on normal commercial terms which are fair and reasonable and in the interest of the Company and its shareholders as a whole.

The Board confirms that none of the Directors had any material interest in the Agreements and accordingly none of the Directors was required to abstain from voting on the board resolutions in relation to the Agreements.

DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meanings:-

“Agreements”	the Yuanheng Cooperation Agreement, the Dongfeng Cooperation Agreement, the Shengxin Cooperation Agreement and the Second Yuanheng Equity Transfer Agreement
“Beijing Yuansheng”	Beijing Yuansheng Ruitong Investment Management Center (Limited Partnership)* (北京遠盛瑞通投資管理中心(有限合夥)), a limited partnership established in the PRC and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Boxin”	Zhongshan Boxin Real Estate Development Company Limited* (中山市博信房地產開發有限公司), a company with limited liability established on 2 January 2014 under the laws of the PRC
“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
“Director(s)”	director(s) of the Company
“Dongfeng Cooperation Agreement”	the cooperation agreement dated 30 December 2013 entered into between the Vendor and the Purchaser in relation to, among other things, the acquisition by the Purchaser of a 51% equity interest in Boxin

“Dongfeng Project”	a residential development project located on the land with planned GFA of approximately 199,000 sq.m. located at Min Le Village, Dongfeng Town, Zhongshan City, the PRC
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lianxingwei Project”	a commercial and residential development project located on the land with planned GFA of approximately 148,000 sq.m. located at Jin Sha Xi Road, Caihong Road, Zhongshan City West, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nantou Project”	a commercial and residential development project located on the land with planned GFA of approximately 372,000 sq.m. located at Bei Di Village, Nantou Town, Zhongshan City, the PRC
“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
“Purchaser”	Beijing Yuandong Xindi Property Limited*(北京遠東新地置業有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Second Yuanheng Equity Transfer Agreement”	the equity transfer agreement dated 31 August 2013 entered into between the Vendor and Beijing Yuansheng in relation to, among other things, the acquisition by Beijing Yuansheng of 10% equity interest in Yuanheng
“Shengxin”	Zhongshan Shengxin Real Estate Development Company Limited * (中山市盛信房地產開發有限公司), a company with limited liability established on 26 October 2009 under the laws of the PRC

“Shengxin Cooperation Agreement”	the cooperation agreement dated 3 April 2014 entered into between the Vendor, the Purchaser and Shengxin
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it in the Listing Rules
“Vendor”	Zhongshan City Realty, Ltd* (中山市大信置業有限公司), a company established with limited liability under the laws of the PRC
“Yuanheng”	Zhongshan Yuanheng Real Estate Development Company Limited* (中山市遠恒房地產開發有限公司), a company with limited liability established on 2 April 2013 under the laws of the PRC
“Yuanheng Cooperation Agreement”	the cooperation agreement dated 5 August 2013 entered into between the Vendor, the Purchaser and Yuanheng

** For identification purposes only*

By order of the Board
Sino-Ocean Land Holdings Limited
LAM Tsz Kin
Company Secretary

Hong Kong, 3 April 2014

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

Executive directors:

Mr. LI Ming
Mr. CHEN Runfu
Mr. WEN Haicheng

Non-executive directors:

Ms. LIU Hui
Mr. YANG Zheng
Mr. CHEUNG Vincent Sai Sing

Independent non-executive directors:

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