

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 Discloseable 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

SUM Pui Ying

Director

5 November 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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF 100% OF THE ISSUED SHARE CAPITAL OF
METRO SPLENDID LIMITED**

The Board is pleased to announce that on 5 November 2014 (after trading hours), SOL HK as vendor and the Fund as purchaser entered into the Agreement pursuant to which SOL HK agreed to sell, and the Fund agreed to purchase, 100% of the issued share capital of Metro Splendid (an indirect wholly-owned subsidiary of the Company) and SOL HK shall transfer and procure Fame Gain to transfer the Shareholder's Loan to the Fund. Prior to Completion, Metro Splendid shall hold 100% equity interest in each of Bright Shining Group and Max Great Holdings.

As one or more of the applicable percentage ratios exceeds 5% but all the applicable percentage ratios are less than 25%, the transactions contemplated under the Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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THE AGREEMENT

Date

5 November 2014 (after trading hours)

Parties

- (a) SOL HK, as vendor; and
- (b) the Fund, as purchaser.

Subject matter

SOL HK shall sell, and the Fund shall purchase, 100% of the issued share capital of Metro Splendid, and SOL HK shall transfer and procure Fame Gain to transfer the Shareholder's Loan to the Fund.

Prior to Completion, Metro Splendid shall hold 100% equity interest in each of Bright Shining Group and Max Great Holdings.

Consideration

The total consideration payable by the Fund to SOL HK for the Disposal is US\$463,000,000 (approximately RMB2,824,000,000) of which the consideration for the Shareholder's Loan is RMB2,603,294,113.

Basis for the consideration

The total consideration was determined by the parties after arm's length negotiations with reference to the external valuation of the assets held by Metro Splendid, Bright Shining Group and Max Great Holdings and their net assets value as per their unaudited financial statements as at 30 September 2014 as well as the principal amount of the Shareholder's Loan.

Payment

The consideration for the Disposal shall be paid in the following manner:

- (i) the Fund shall pay US\$23,150,000 (approximately RMB141,000,000), being 5% of the consideration, into a bank account designated by SOL HK in writing upon signing of the Agreement;
- (ii) the Fund shall pay US\$208,350,000 (approximately RMB1,271,000,000), being 45% of the consideration, into a bank account designated by SOL HK in writing within 30 days after signing of the Agreement; and
- (iii) the Fund shall pay US\$231,500,000 (approximately RMB1,412,000,000), being 50% of the consideration, into a bank account designated by SOL HK in writing upon Completion.

Conditions precedent

Completion of the transfer of the 100% issued share capital of Metro Splendid is conditional upon each of the following conditions precedent, amongst others, having been fulfilled or waived:

- (i) the results of the due diligence on Metro Splendid, Bright Shining Group and Max Great Holdings and their subsidiaries and the Shareholder's Loan being satisfactory to the Fund;
- (ii) the relevant capital commitment for the subscription of the limited partnership interest in Sino Prosperity Real Estate Fund L.P. being available for withdrawal;
- (iii) the delivery of legal opinion by SOL HK's PRC legal counsel in the requisite form;
- (iv) each of the representations, warranties and undertakings given by the Fund remaining true and accurate in all material respects from the date of the Agreement up to (and including) the date of Completion, as if repeated by the Fund every day until the date of Completion;

- (v) the Fund having obtained all necessary consents, permissions and authorizations for the due performance and observance by the Fund of all its undertakings and obligations under the Agreement and such consents, permissions and authorizations remaining valid;
- (vi) the Fund's signing of the Agreement not materially breaching (a) any laws, rules, regulations or other normative document; or (b) any document or contract binding on the Fund;
- (vii) SOL HK having obtained all necessary consents, permissions and authorizations for the due performance and observance by SOL HK of all its undertakings and obligations under the Agreement and the deed of transfer of the Shareholder's Loan, and such consents, permissions and authorizations remaining valid; and
- (viii) SOL HK's signing of the Agreement not materially breaching (a) any laws, rules, regulations or other normative document; or (b) any document or contract binding on SOL HK.

The Fund may waive any or all of the conditions precedent at its sole discretion by written notice to SOL HK (other than conditions (ii), (v), (vi), (vii) and (viii) as stated above). If the conditions precedent are not fulfilled on or before 31 December 2014 or such other date as agreed in writing by SOL HK and the Fund, the Agreement shall terminate, without prejudice to the rights accrued to the parties prior to such termination, but neither party may claim for any outgoings, loss, expenses, damages or other fees arising from such termination.

Completion

Completion will take place on the third Business Day after the fulfillment or waiver of the conditions precedent set out in the Agreement (or such other date as may be agreed in writing by SOL HK and the Fund).

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Board believes that the Disposal will allow the Group to strip off our non-core business and our projects either with slow sales and comparatively lower gross margin or in the third-tier cities which are no longer in the focus of the Group's future business development plan, including Fushun and Qinhuangdao. Meanwhile, the restructure is expected to benefit the Group by improving its overall asset turnover and enabling the Group to stay focus on the projects with high gross margin. The Disposal will bring the Group cash proceeds of approximately US\$463,000,000 (approximately RMB2,824,000,000) and also reduce the total borrowing of the Group of approximately RMB5,000,000,000. The proceeds will be used for re-investment in projects and repaying existing debt which will reduce the Group's total borrowings and improves the Group's net gearing ratio.

The Board is of the view that the terms of the Disposal are on normal commercial terms determined after arm's length negotiations among the parties, fair and reasonable and in the interests of the Company and its shareholders as a whole.

It is estimated that the Company would recognize a gain of approximately US\$2,130,000 (approximately RMB13,000,000) from the Disposal (subject to audit), being the difference between consideration for Disposal and the aggregated carrying value of Metro Splendid, Bright Shining Group and Max Great Holdings and the Shareholder's Loan.

INFORMATION ON METRO SPLENDID, BRIGHT SHINING GROUP AND MAX GREAT HOLDINGS

Metro Splendid is a company incorporated under the laws of the British Virgin Islands with limited liability. It is principally engaged in investment holding.

Bright Shining Group is a company incorporated under the laws of the British Virgin Islands with limited liability. It is principally engaged in investment holding.

Max Great Holdings is a company incorporated under the laws of the British Virgin Islands with limited liability. It is principally engaged in investment holding.

As at the date of this announcement, each of Metro Splendid, Bright Shining Group and Max Great Holdings is an indirect wholly-owned subsidiary of the Company.

Upon Completion, the Company will cease to hold any interest in each of Metro Splendid, Bright Shining Group and Max Great Holdings.

Financial information of Metro Splendid, Bright Shining Group and Max Great Holdings

Set out below are certain financial information extracted from the unaudited combined financial statements of Metro Splendid, Bright Shining Group and Max Great Holdings prepared in accordance with Hong Kong Financial Reporting Standards.

	For the year ended 31 December 2012 (RMB'000)	For the year ended 31 December 2013 (RMB'000)
Net profit before taxation	270,346	327,410
Net profit after taxation	182,315	239,210
		As at 30 September 2014 (RMB'000)
Net asset		619,091

Properties and other real estate related projects held by Metro Splendid, Bright Shining Group and Max Great Holdings

Set out below are details of the properties and other real estate related projects indirectly held by Metro Splendid, Bright Shining Group and Max Great Holdings as at the date of this announcement:

Project Name	Project description	Project location	Planned total GFA (approximately sq.m.)	Attributable interest %
I. Metro Splendid				
Ocean TIMES (Dalian)	Residential & Commercial	Opposite Dalian University, southeast of Dahei Mountain, Dalian Economic and Technological Development Zone, Dalian	563,000	100%

Project Name	Project description	Project location	Planned total GFA (approximately sq.m.)	Attributable interest %
Ocean Holiday Manor (Dalian)	Residential	Golden Stone Beach, Dalian	408,000	100%
Grand Canal Milestone (Hangzhou)	Residential	Intersection of Jiru Street and Xiaohe Road, Gongshu District, Hangzhou, Zhejiang	208,000	70%
Ocean Century (Qinhuangdao)	Residential & Commercial	Haigang District, Qinhuangdao, Hebei	1,489,000	100%
Ocean Chanson Mansion (Shanghai)	Residential	Yanghang Town, Baoshan District, Shanghai	368,000	100%
BOND CASTLE and Dreaming Land (Shanghai)	Residential & Villa	Meilan Lake of Baoshan District, Shanghai	192,000	100%
Ocean Beach (Zhenjiang)	Residential & Commercial	The junction of Guantangqiao Road and Guyang Road, Runzhou District, Zhenjiang, Jiangsu Province	914,000	55%
Sino-Ocean Decor	Upfitting and decoration	Level 16, Zhongguancun SOHO, No. 8 North Haidian Second Street, Haidian District, Beijing	N/A	80%
II. Bright Shining Group				
Ocean Honored Chateau (Qingdao)	Residential	Intersection of Yanerdao Road and Quanzhou Road, No.5 Quanzhou Road, Shinan District, Qingdao	133,000	100%
III. Max Great Holdings				
Ocean City (Fushun)	Residential	The junction of Gaoshan Road and Jingyu Street, Shuncheng District, Fushun, Liaoning	2,005,000	65%

INFORMATION ON THE GROUP AND PARTIES TO THE AGREEMENT

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.

SOL HK is a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

The Fund is an exempted company with limited liability incorporated in Cayman Islands and is principally engaged in investment holding. The Fund is indirectly held as to 50% by Gemini (which is an indirect non-wholly owned subsidiary of the Company) and as to 50% by CCAH, which is an independent third party of the Company. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the ultimate beneficial owner of CCAH is also a third party independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios exceeds 5% but all the applicable percentage ratios are less than 25%, the transactions contemplated under the Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the share transfer agreement dated 5 November 2014 entered into between SOL HK and the Fund in relation to the Disposal
“Board”	the board of Directors
“Bright Shining Group”	Bright Shining Group Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Business Day”	a day (excluding Saturdays, Sundays and public holidays in Hong Kong and the PRC) on which licensed banks in Hong Kong and the PRC are open for normal banking business
“CAAH”	China Corporate Assets Holdings Limited, a company incorporated under the laws of the British Virgin Islands
“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)
“Completion”	completion of the Disposal in accordance with the terms and conditions as set out in the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 100% equity interest in Metro Splendid by SOL HK and the transfer of the Shareholder’s Loan by SOL HK and Fame Gain to the Fund pursuant to the Agreement
“Fame Gain”	Fame Gain Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of the Company

“Fund”	Sino Prosperity Holdings Two Limited, an exempted company incorporated in the Cayman Islands with limited liability with effect from 20 October 2014 and is indirectly held as to 50% by Gemini and 50% by CCAH
“Gemini”	Gemini Investments (Holdings) Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00174)
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Max Great Holdings”	Max Great Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Metro Splendid”	Metro Splendid Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder’s Loan”	the shareholder’s loan in the aggregate principal amount of RMB2,603,294,113 due and owing by Metro Splendid, Bright Shining Group and Max Great Holdings to SOL HK and Fame Gain

“SOL HK”	Sino-Ocean Land (Hong Kong) Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	the lawful currency of the United State of America
“%”	per cent

For the purposes of this announcement, the exchange rate of US\$1 = RMB6.1 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
LAM Tsz Kin
Company Secretary

Hong Kong, 5 November 2014

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

<i>Executive directors:</i>	<i>Non-executive directors:</i>	<i>Independent non-executive directors:</i>
Mr. LI Ming	Mr. YANG Zheng	Mr. TSANG Hing Lun
Ms. LIU Hui	Mr. FANG Jun	Mr. GU Yunchang
Mr. CHEUNG Vincent Sai Sing	Mr. CHUNG Chun Kwong, Eric	Mr. HAN Xiaojing
Mr. CHEN Runfu		Mr. ZHAO Kang
Mr. WEN Haicheng		