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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 AND DISCLOSEABLE TRANSACTION

(1) Conditional sale and purchase of the entire issued share capital of Grand More Group Limited and Dalian Tsanghao Real Estate Company Limited and

(2) Proposed grant of specific mandate to issue Shares

Conditional sale and purchase of the entire issued share capital of Grand More and the entire equity interests in Tsanghao Real Estate Company

On 7 November 2008, Mr. Wang Sheng Yi and Key Sky as vendors and Sino-Ocean HK and Bright King (both wholly-owned subsidiaries of the Company) as purchasers entered into the Grand More SP Agreement, pursuant to which Mr. Wang Sheng Yi and Key Sky have conditionally agreed to sell, and Sino-Ocean HK and Bright King have conditionally agreed to purchase, the entire issued share capital of Grand More for an aggregate consideration of RMB720,000,000 (i.e. the Grand More Consideration), subject to the terms and conditions contained thereunder.

The only underlying asset of Grand More is the Tsanghao Option. On 20 March 2008, Tsanghao Group granted the Tsanghao Option to Mr. Wang Sheng Yi pursuant to the Tsanghao Option Agreement at a consideration of RMB1,000, and on 27 October 2008, Mr. Wang Sheng Yi assigned it to Grand More (a company wholly-owned by him), pursuant to the Assignment of Rights Agreement. The Tsanghao Option entitles Grand More to require Tsanghao Group to sell its entire

equity interests in Tsanghao Real Estate Company (inclusive of the 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean after completion of the Tsanghao Re-organisation) to Grand More's designated nominee at an exercise price of RMB480,000,000 (i.e. the Tsanghao Consideration), which is the aggregate consideration required for such acquisition.

In anticipation of the execution of the Grand More SP Agreement, on 7 November 2008, Grand More served a notice to Tsanghao Group exercising the Tsanghao Option to require Tsanghao Group to sell its entire equity interests in Tsanghao Real Estate Company (inclusive of the 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean after completion of the Tsanghao Re-organisation) to Beijing Yuankun (a wholly-owned subsidiary of the Company) at the Tsanghao Consideration.

As a result of the exercise of the Tsanghao Option by Grand More, on 7 November 2008, Tsanghao Group as vendor and Beijing Yuankun as purchaser entered into the Tsanghao SP Agreement, pursuant to which Tsanghao Group has conditionally agreed to sell, and Beijing Yuankun has conditionally agreed to purchase, the entire equity interests in Tsanghao Real Estate Company (inclusive of the 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean after completion of the Tsanghao Re-organisation) for an aggregate consideration of RMB480,000,000 (i.e. the Tsanghao Consideration), subject to the terms and conditions contained thereunder.

The transactions contemplated under both the Grand More SP Agreement and the Tsanghao SP Agreement are a series of transactions to acquire the equity interests of three project companies, namely (i) Tsanghao Real Estate Company (holding the entire interests in the Xiang Song Project and the Xi Shan Project) and (ii) the 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean (jointly holding the entire interests in the Red Star Project), from Tsanghao Group. Accordingly, the aggregate consideration for this series of transactions is RMB1,200,000,000 (i.e. the Grand More Consideration plus the Tsanghao Consideration).

Completion of both the Grand More SP Agreement and the Tsanghao SP Agreement is inter-conditional, and is each conditional upon, among other things, the fulfilment of the conditions precedent set out in each of the Grand More SP Agreement and the Tsanghao SP Agreement.

Following completion of the Grand More SP Agreement and the Tsanghao SP Agreement, Grand More and Tsanghao Real Estate Company will become wholly-owned subsidiaries of the Company.

Proposed grant of specific mandate to issue Shares

Under the Grand More SP Agreement, the Company will issue the Consideration Shares (as defined below) to Key Sky as payment for the Grand More Consideration. The number of Consideration Shares to be issued will be determined by the Issue Price (as defined below), but in any event will not be more than 202,711,000 new Shares. The Consideration Shares will rank pari passu with all the then existing Shares in issue.

The Company will seek the grant of specific mandate from the shareholders of the Company to allot and issue Shares, to satisfy the allotment and issue of the Consideration Shares.

Listing Rules Implications

Key Sky is wholly-owned by Mr. Wang Sheng Yi, the son of Mr. Wang Xiaoguang. Mr. Wang's Family holds the entire equity interests in Tsanghao Group. Tsanghao Group holds 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean while Sino-Ocean HK holds the remaining 51% equity interests in each of them (each company being a non wholly-owned subsidiary of the Company).

As a substantial shareholder of the Company's non wholly-owned subsidiaries, Tsanghao Group is a connected person of the Company within the meaning of the Listing Rules. Mr. Wang Xiaoguang is an associate of Tsanghao Group is also a connected person of the Company within the meaning of the Listing Rules, and hence Mr. Wang Sheng Yi and Key Sky are also connected persons of the Company.

The transactions contemplated under the Grand More SP Agreement and the Tsanghao SP Agreement therefore constitute a connected transaction for the Company and are subject to the approval of the independent Shareholders.

Apart from Mr. Wang Xiaoming holding approximately 0.15% of the issued share capital of the Company as at the date of this announcement, each of the rest of the members of the Wang's Family, namely Mr. Wang Dashang, Mr. Wang Xiaoguang and Ms. Zhang Yanxin, and Mr. Wang Sheng Yi and Tsanghao Group and their respective associates does not have any shareholding in the Company. Mr. Wang Xiaoming will abstain from voting at the EGM.

The transactions contemplated under the Grand More SP Agreement are aggregated with the transactions contemplated under the Tsanghao SP Agreement pursuant to Rules 14.22 and 14.23 of the Listing Rules. Both transactions, when aggregated, constitute a discloseable transaction for the Company, on the basis that the calculation of the total assets and consideration ratios are within the range of 5% and 25%.

The sale and purchase of the entire issued share capital of Grand More and the entire equity interests in Tsanghao Real Estate Company are conditional and may or may not proceed. Accordingly, Shareholders and prospective investors are reminded to exercise extreme caution when trading in the Shares.

General

An independent board committee of the Company, consisting of all the independent non-executive Directors of the Company, namely Mr. Tsang Hing Lun, Mr. Gu Yunchang, Mr. Han Xiaojing and Mr. Zhao Kang, has been constituted to consider the terms of the Grand More SP Agreement and the Tsanghao SP Agreement and to make recommendations to the independent Shareholders. None of the members of the independent board committee of the Company has any material interest in the transactions contemplated under the Grand More SP Agreement and the Tsanghao SP Agreement. Anglo Chinese has been appointed as independent financial adviser to advise the independent board committee of the Company and the independent Shareholders on the fairness and reasonableness of the transactions contemplated under the Grand More SP Agreement and the Tsanghao SP Agreement.

The Extraordinary General Meeting will be convened and held for the independent Shareholders to consider and, if thought fit, to approve the Grand More SP Agreement and the Tsanghao SP Agreement and the transactions contemplated thereunder. The Company will despatch a circular to the Shareholders containing, amongst other things, details of (i) the Grand More SP Agreement; (ii) the Tsanghao SP Agreement; (iii) the recommendation of the independent board committee to the independent Shareholders in respect of the Grand More SP Agreement and the Tsanghao SP Agreement; (iv) the letter of advice from the independent financial adviser in respect of the terms of the Grand More SP Agreement and the Tsanghao SP Agreement; and (v) a notice to convene the Extraordinary General Meeting, to approve and ratify the Grand More SP Agreement and the Tsanghao SP Agreement as soon as practicable.

INTRODUCTION

The Directors are pleased to announce that on 7 November 2008, Mr. Wang Sheng Yi and Key Sky as vendors and Sino-Ocean HK and Bright King (both wholly-owned subsidiaries of the Company) as purchasers entered into the Grand More SP Agreement, pursuant to which Mr. Wang Sheng Yi and Key Sky have conditionally agreed to sell, and Sino-Ocean HK and Bright King have conditionally agreed to purchase, the entire issued share capital of Grand More for an aggregate consideration of RMB720,000,000 (i.e. the Grand More Consideration), subject to the terms and conditions contained thereunder.

The only underlying asset of Grand More is the Tsanghao Option. On 20 March 2008, Tsanghao Group granted the Tsanghao Option to Mr. Wang Sheng Yi pursuant to the Tsanghao Option Agreement at a consideration of RMB1,000, and on 27 October 2008, Mr. Wang Sheng Yi assigned it to Grand More (a company wholly-owned by him), pursuant to the Assignment of Rights Agreement. The Tsanghao Option entitles Grand More to require Tsanghao Group to sell its entire equity interest in Tsanghao Real Estate Company (inclusive of the 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean after completion of the Tsanghao Re-organisation) to Grand More's designated nominee at an exercise price of RMB480,000,000 (i.e. the Tsanghao Consideration), which is the aggregate consideration required for such acquisition.

In anticipation of the execution of the Grand More SP Agreement, on 7 November 2008, Grand More has served a notice to Tsanghao Group exercising the Tsanghao Option to require Tsanghao Group to sell its entire equity interests in Tsanghao Real Estate Company (inclusive of the 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean after completion of the Tsanghao Re-organisation) to Beijing Yuankun (a wholly-owned subsidiary of the Company) at the Tsanghao Consideration.

As a result of the exercise of the Tsanghao Option by Grand More, on 7 November 2008, Tsanghao Group as vendor and Beijing Yuankun as purchaser entered into the Tsanghao SP Agreement, pursuant to which Tsanghao Group has conditionally agreed to sell, and Beijing Yuankun has conditionally agreed to purchase, the entire equity interests in Tsanghao Real Estate Company (inclusive of the 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean after completion of the Tsanghao Re-organisation) for an aggregate consideration of RMB480,000,000 (i.e. the Tsanghao Consideration), subject to the terms and conditions contained thereunder.

THE GRAND MORE SP AGREEMENT

Date

7 November 2008

Parties

- (a) Mr. Wang Sheng Yi and Key Sky, as the vendors; and
- (b) Sino-Ocean HK and Bright King, as the purchasers.

Conditional sale and purchase of the entire issued share capital of Grand More

Pursuant to the Grand More SP Agreement, Mr. Wang Sheng Yi and Key Sky have agreed to conditionally sell, and Sino-Ocean HK and Bright King have agreed to conditionally purchase the entire issued share capital of Grand More at an aggregate consideration of RMB720,000,000 (i.e. the Grand More Consideration). Grand More was incorporated by Key Sky with an issued share capital of US\$1.00, credited as fully paid up.

Consideration and payment

The Grand More Consideration was arrived at after arm's length negotiations between Mr. Wang Sheng Yi and Sino-Ocean HK, having regard to the Tsanghao Option held by Grand More, which could be exercised over the entire equity interests in Tsanghao Real Estate Company. Tsanghao Real Estate Company holds the entire interest in the Xiang Song Project, the Xi Shan Project and will hold 49% interest in the Red Star Project (after completion of the Tsanghao Re-organisation).

The transactions contemplated under both the Grand More SP Agreement and the Tsanghao SP Agreement are a series of transactions to acquire the equity interests of three project companies, namely (i) Tsanghao Real Estate Company (holding the entire interests in the Xiang Song Project and the Xi Shan Project) and (ii) the 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean (jointly holding the entire interests in the Red Star Project), from Tsanghao Group. Accordingly, the aggregate consideration for this series of transactions is RMB1,200,000,000 (i.e. the Grand More Consideration plus the Tsanghao Consideration). The aggregate consideration of RMB1,200,000,000 was determined based on the net assets value (after adjustments of the revaluation surplus of the Xiang Song Project, the Xi Shan Project and the Red Star Project) of Tsanghao Real Estate Company, Dalian Sky Upright and Dalian Sunny Ocean.

As at 30 September 2008, the audited net assets value of Tsanghao Real Estate Company, Dalian Sky Upright and Dalian Sunny Ocean were approximately RMB147,033,000, RMB578,625,000 (equivalent to approximately RMB283,526,000 in terms of a 49% interest) and RMB605,202,000 (equivalent to approximately RMB296,549,000 in terms of a 49% interest)

The estimated market value of the Xiang Song Project, the Xi Shan Project and the Red Star Project were valued at approximately RMB190,000,000, RMB136,000,000 and RMB3,790,000,000 (equivalent to approximately RMB1,857,100,000 in terms of a 49% interest), respectively by Vigers, an independent property valuer, as set out in the Valuation Report.

The Grand More Consideration will be settled by way of allotment and issue of consideration shares (the “**Consideration Shares**”) by the Company to Key Sky, credited as fully paid up, on completion of the Grand More SP Agreement. The number of Consideration Shares to be allotted and issued will be determined with respect to the following issue price per Share (the “**Issue Price**”), whichever is higher:

- (a) at a price of HK\$4.04 per Share (i.e. issuance of 202,711,000 Consideration Shares); or
- (b) at a premium of 5% over the average closing price per Share quoted on the Stock Exchange on the last five trading days of the Shares immediately before the date of completion of the Grand More SP Agreement (the exchange rate of HK\$ for RMB will be determined with reference to the rate quoted from the website of the State Administration of Foreign Exchange on 30 June 2008).

Key Sky has agreed that, at any time within 12 months from completion of the Grand More SP Agreement, it will not create, effect or suffer any disposal of or any encumbrance over, or (where applicable) permit the registered holder to create, effect or suffer any disposal of or any encumbrance over, any of the Consideration Shares. Key Sky is allowed to pledge the Consideration Shares for funding purposes subject to the prior written consent of Sino-Ocean HK and Bright King.

Mr. Wang Sheng Yi and Key Sky have agreed that the completion of the Tsanghao Option Agreement, the Assignment of Rights Agreement, the Grand More SP Agreement, the Tsanghao SP Agreement or the Tsanghao Re-organisation, or any combination of them, has been announced to be null and void or unenforceable or

invalid due to promulgation of new applicable rules and regulations in the PRC or due to any actions taken by the relevant government authorities in the PRC, they will forthwith refund the full amount of the Grand More Consideration to Sino-Ocean HK and Bright King and will keep them fully indemnified for all costs, expenses, damages and losses incurred therefor.

The determination of the Issue Price per Consideration Share was arrived at after arm's length negotiations between Mr. Wang Sheng Yi and Sino-Ocean HK. The Issue Price of HK\$4.04 per Consideration Share was determined having regard to the Company's net assets value per Share recorded in its unaudited interim financial statements as at 30 June 2008. As at the date of this announcement, base on the maximum number of Consideration Shares to be issued at no more than 202,711,000 new Shares, the Consideration Shares represent approximately 4.54% of the existing issue share capital of the Company and approximately 4.34% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The Issue Price of HK\$4.04 per Consideration Share represents:

- (a) a premium of approximately 92.38% over the closing price of HK\$2.10 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately before the date of this announcement;
- (b) a premium of approximately 92.02% over the average closing price of HK\$2.104 per Share as quoted on the Stock Exchange on the last five trading days of the Shares immediately before the date of this announcement;
- (c) a premium of approximately 102.91% over the average closing price of HK\$1.991 per Share as quoted on the Stock Exchange on the last ten trading days of the Shares immediately before the date of this announcement;
- (d) a premium of approximately 86.95% over the average closing price of HK\$2.161 per Share as quoted on the Stock Exchange on the last one month of the Shares immediately before the date of this announcement;
- (e) a premium of approximately 41.75% over the average closing price of HK\$2.85 per Share as quoted on the Stock Exchange on the last three months of the Shares immediately before the date of this announcement;
- (f) a discount of approximately 4.78% over the average closing price of HK\$4.243 per Share as quoted on the Stock Exchange on the last six months of the Shares immediately before the date of this announcement; and

- (g) a premium of approximately 6.88% over the net assets value of HK\$3.78 per Share as stated in the audited consolidated accounts of the Company for the year ended 31 December 2007.

The market value of the Consideration Shares is HK\$425,693,100 by reference to the closing price of HK\$2.10 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately before the date of this announcement.

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

The Company will apply to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, the Consideration Shares.

Conditions Precedent

Completion of the Grand More SP Agreement is conditional upon fulfilment of a number of conditions, in particular:

- (a) completion of the due diligence investigations of Grand More, Tsanghao Real Estate Company, Dalian Sky Upright and Dalian Sunny Ocean conducted by Sino-Ocean HK and Bright King to their satisfaction, in respect of, inter alia, the business, financial, property valuation, legal and other conditions of any of them;
- (b) Mr. Wang Sheng Yi and Key Sky having (i) obtained all necessary approvals and consents from the relevant government authorities; (ii) complied with all relevant registration requirements under the applicable rules and regulations in relation to the transactions contemplated under the Grand More SP Agreement; and (iii) delivered copies of such approval, consents and registration documents to Sino-Ocean HK and Bright King;
- (c) all authorisations, approvals and registrations necessary or desirable for the consummation of the transactions contemplated under the Grand More SP Agreement having been obtained by the parties thereto, and such authorisations, approvals and registrations will not contradict the legality and enforceability of the terms and conditions contained under the Grand More SP Agreement;
- (d) there being no government authorities, regulatory bodies, courts or judicial departments or similar nature imposes any orders or decisions which will render the transactions contemplated under the Grand More SP Agreement null and

void, unenforceable, illegal or being prohibited to perform, or imposes any additional conditions or obligations to be undertaken by the parties thereto;

- (e) completion of the transactions contemplated under the Tsanghao SP Agreement;
- (f) there having no material adverse change in relation to the representations, warranties and undertakings given by Mr. Wang Sheng Yi and Key Sky in respect of each of Grand More, Tsanghao Real Estate Company, Dalian Sky Upright and Dalian Sunny Ocean, and that no material violation, breach and/or misrepresentation of the representations and warranties under the Grand More SP Agreement, from the date of signing the Grand More SP Agreement until the completion thereof;
- (g) compliance by the Company with all applicable disclosure and shareholders' approval requirements under the Listing Rules; and
- (h) listing of and permission to deal in the Consideration Shares having been granted by the Listing Committee of the Stock Exchange (and such listing and permission not subsequently being revoked prior to completion of the Grand More SP Agreement).

Mr. Wang Sheng Yi and Key Sky will use their best endeavours to fulfill, or procure the fulfillment of, conditions (a) to (f). If any of the conditions is not fulfilled (or waived by Sino-Ocean HK and Bright King (except conditions (g) and (h) above which cannot be waived) on or before 31 January 2009 (or such other date as may be agreed by Sino-Ocean HK and Bright King in writing), Sino-Ocean HK and Bright King have the discretion to either terminate the Grand More SP Agreement or extend the time of fulfilling the conditions by Mr. Wang Sheng Yi and Key Sky.

Completion

Completion of the Grand More SP Agreement is inter-conditional with the completion of the Tsanghao SP Agreement, and is each conditional upon, among other things, the fulfilment of the conditions precedent set out in each of the Grand More SP Agreement and the Tsanghao SP Agreement.

Subject to the fulfillment of the conditions set out in the Grand More SP Agreement to the satisfaction of Sino-Ocean HK and Bright King (or waived by Sino-Ocean HK and Bright King (except conditions (g) and (h) above which cannot be waived)), completion will take place on a Business Day when Sino-Ocean HK and Bright King serve a completion notice to Mr. Wang Sheng Yi and Key Sky having satisfied the conditions precedent above or if applicable, being waived by Sino-Ocean HK and Bright King (except conditions (g) and (h) above which cannot be waived).

THE TSANGHAO SP AGREEMENT

Date

7 November 2008

Parties

- (a) Tsanghao Group, as the vendor; and
- (b) Beijing Yuankun, as the purchaser.

Conditional sale and purchase of the entire equity interests in Tsanghao Real Estate Company

Pursuant to the Tsanghao SP Agreement, Tsanghao Group has agreed to conditionally sell and Beijing Yuankun has agreed to conditionally purchase the entire equity interests in Tsanghao Real Estate Company (inclusive of the 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean after completion of the Tsanghao Re-organisation) at an aggregate consideration of RMB480,000,000 (i.e. the Tsanghao Consideration).

Consideration and payment

The Tsanghao Consideration was arrived at after arm's length negotiations between Tsanghao Group and Beijing Yuankun, having regard to (i) the amount of registered capital of Tsanghao Real Estate Company and (ii) the costs of transferring the 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean from Tsanghao Group to Tsanghao Real Estate Company as a result of the Tsanghao Re-organisation.

The Tsanghao Consideration will be settled in cash payable by Beijing Yuankun to Tsanghao Group in the following manner:

- (a) as to RMB50,000,000, within 5 Business Days after completion of the Tsanghao SP Agreement;
- (b) as to RMB100,000,000, within 22 Business Days after completion of the Tsanghao SP Agreement; and
- (c) as to RMB330,000,000, within 65 Business Days after completion of the Tsanghao Re-organisation or the Tsanghao SP Agreement, whichever is later.

Conditions Precedent

Completion of the Tsanghao SP Agreement is conditional upon fulfillment of a number of conditions, in particular:

- (a) completion of the due diligence investigations of Tsanghao Real Estate Company, Dalian Sky Upright and Dalian Sunny Ocean conducted by Beijing Yuankun to its satisfaction, in respect of, inter alia, the business, financial, property valuation, legal and other conditions of any of them;
- (b) all authorisations, approvals and registrations necessary or desirable for the consummation of the transactions contemplated under the Tsanghao SP Agreement having been obtained by Tsanghao Group, Beijing Yuankun, Tsanghao Real Estate Company, Dalian Sky Upright and Dalian Sunny Ocean, and such authorisations, approvals and registrations will not contradict the legality and enforceability of the terms and conditions contained under the Tsanghao SP Agreement nor render such terms and conditions unenforceable;
- (c) all necessary third party consents in relation to the transactions contemplated under the Tsanghao SP Agreement having been obtained by Tsanghao Real Estate Company and remained valid and will not contradict the legality and enforceability of the terms and conditions contained under the Tsanghao SP Agreement nor render such terms and conditions unenforceable;
- (d) there being no government authorities, regulatory bodies, courts or judicial departments or similar nature imposes any orders or decisions which will render the transactions contemplated under the Tsanghao SP Agreement null and void, unenforceable, illegal or being prohibited to perform, or will impose any additional conditions or obligations to be undertaken by the parties thereto;
- (e) completion of the Tsanghao Re-organisation relating to Tsanghao Real Estate Company acquiring the 49% equity interests in each of Dalian Sunny Ocean and Dalian Sky Upright from Tsanghao Group;
- (f) the aggregate amount of contractual sale of the Red Star Project and the Xiang Song Project shall not be lower than the value of RMB300,000,000 in 2008;
- (g) there having no material adverse change in relation to the assets, business operations, financial status, operational environment or future of each of Tsanghao Real Estate Company, Dalian Sky Upright and/or Dalian Sunny Ocean from the date of signing the Tsanghao SP Agreement until the completion thereof;

- (h) completion of the transactions contemplated under the Grand More SP Agreement; and
- (i) compliance by the Company with all applicable disclosure and shareholders' approval requirements under the Listing Rules.

Tsanghao Group will use its best endeavours to fulfill, or procure the fulfillment of, conditions (a) to (h). If any of the conditions is not fulfilled (or waived by Beijing Yuankun (except condition (i) above which cannot be waived) on or before 31 January 2009 (or such other date as may be agreed by Beijing Yuankun in writing), Beijing Yuankun has the discretion to either terminate the Tsanghao SP Agreement or extend the time until 30 April 2009 for fulfilling the conditions by Tsanghao Group.

The costs of acquiring 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean by Tsanghao Real Estate Company represent the amount of outstanding shareholder's loan owed by Tsanghao Real Estate Company to Tsanghao Group in the amount of RMB330,000,000 (being part of the Tsanghao Consideration) and will be settled by way of a debt owed to Tsanghao Group for the purpose of completing the Tsanghao Re-organisation. Upon completion of the Tsanghao Re-organisation, Tsanghao Real Estate Company's balance sheet will include assets (49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean) and liabilities (accounts payable to Tsanghao Group) in the same amount.

Completion

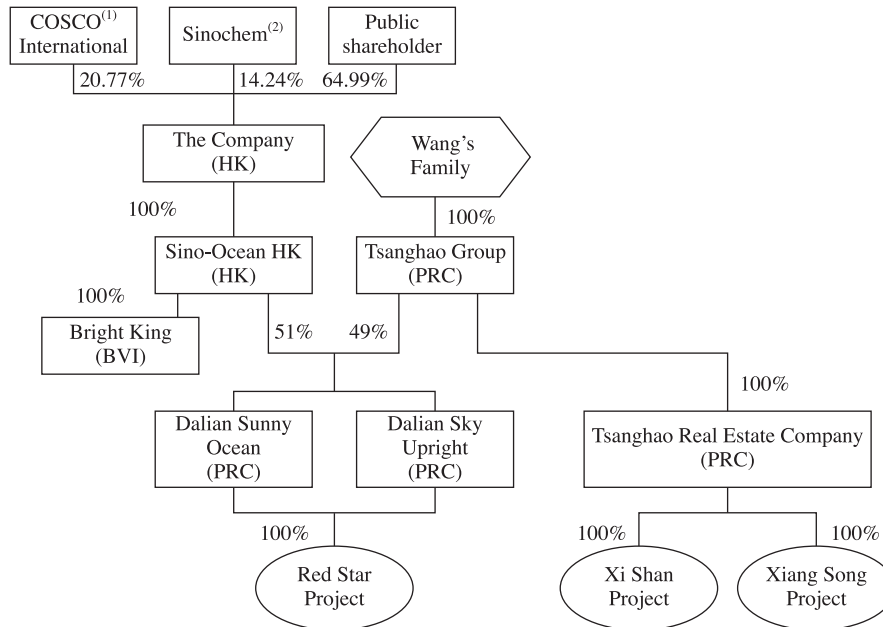
Completion of the Tsanghao SP Agreement is inter-conditional with the completion of the Grand More SP Agreement, and is each conditional upon, among other things, the fulfilment of the conditions precedent set out in each of the Grand More SP Agreement and the Tsanghao SP Agreement.

Subject to the fulfilment of the conditions set out in the Tsanghao SP Agreement to the satisfaction of Beijing Yuankun (or waived by Beijing Yuankun (except condition (i) above which cannot be waived)), completion will take place on the third Business Day when Beijing Yuankun serves a completion notice to Tsanghao Group having satisfied the conditions precedent above or if applicable, being waived by Beijing Yuankun (except condition (i) above which cannot be waived).

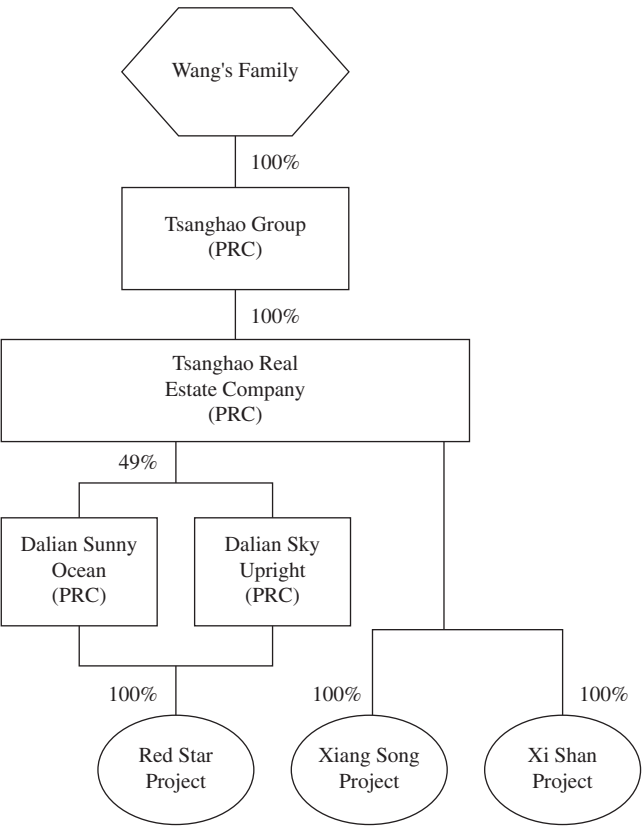
The sale and purchase of the entire issued share capital of Grand More and Tsanghao Real Estate Company are conditional and may or may not proceed. Accordingly, Shareholders and prospective investors are reminded to exercise extreme caution when trading in the Shares.

GROUP CHARTS

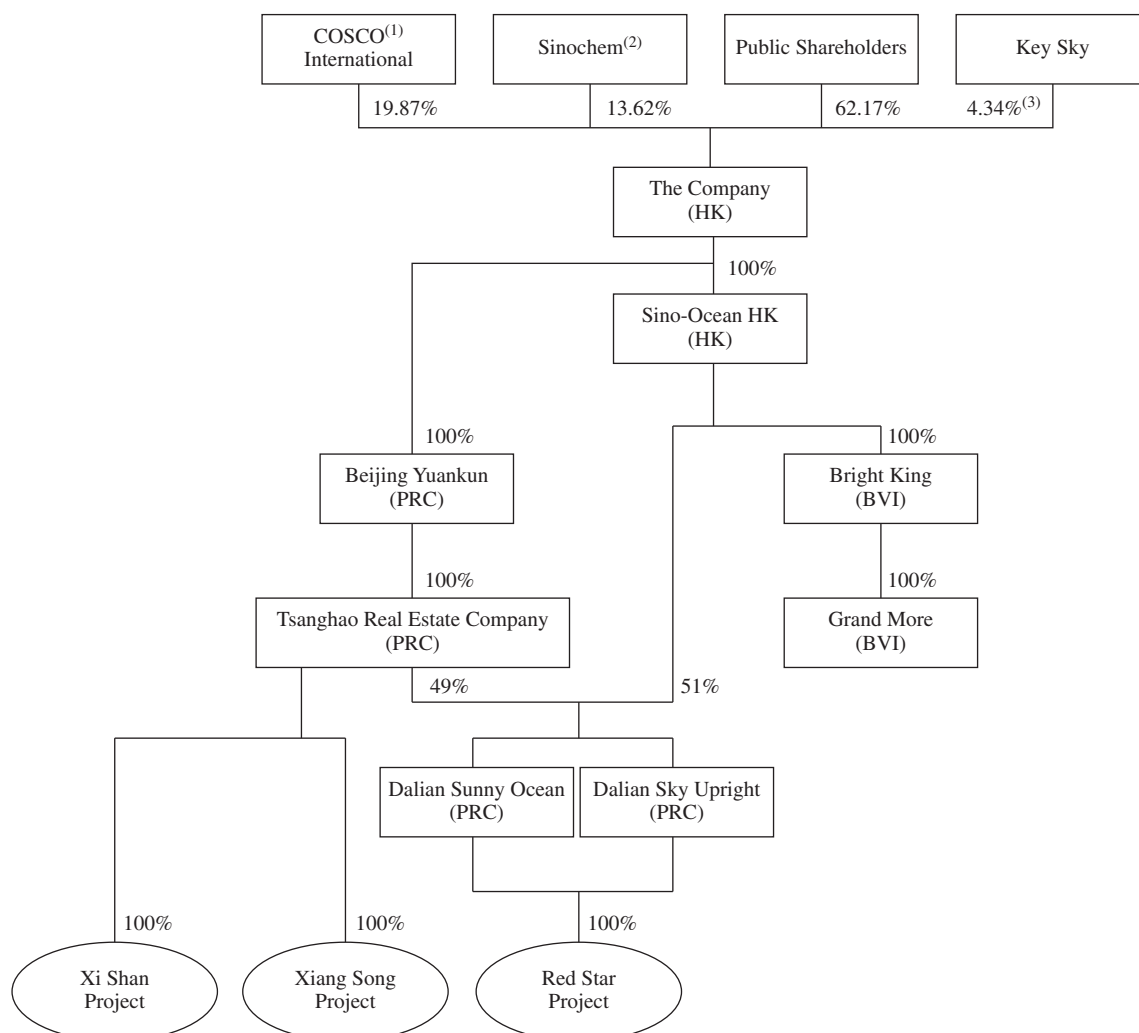
An overview of the shareholding structure of the Group in relation to the transactions contemplated under the Grand More SP Agreement and the Tsanghao SP Agreement before the completion of both is set out below:



An overview of the shareholding structuring of Tsanghao Group and its subsidiaries after completion of the Tsanghao Re-organisation is set out below:



An overview of the shareholding structure of the Group in relation to the completion of the transactions contemplated under the Grand More SP Agreement and the Tsanghao SP Agreement is set out below:



Note:

- (1) COSCO International Holdings Limited (中遠國際控股有限公司), a company incorporated in Bermuda on 9 September 1991 whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 00517)
- (2) 中國中化集團公司 (Sinochem Corporation)*, a state-owned enterprise established under the laws of the PRC in 1950
- (3) this percentage is calculated based on HK\$4.04 as the Issue Price and subject to the change with respect to the actual Issue Price and number of Consideration Shares to be issued

INFORMATION ABOUT THE COMPANY, SINO-OCEAN HK, BRIGHT KING AND BEIJING YUANKUN

The Company is a company incorporated under the laws of Hong Kong with limited liability. Its shares are listed on the Main Board of the Stock Exchange. The principal business activity of the Company is investment holding. The principal business activities of its major subsidiaries are the property development, property investment and other activities (including hotel operation, property management, property sales agency and related services).

Sino-Ocean HK is a company incorporated under the laws of Hong Kong with limited liability and wholly-owned by the Company. Its principal business activity is investment holding.

Bright King is a company incorporated under the laws of the BVI with limited liability and wholly-owned by the Company. Its principal business activity is investment holding.

Beijing Yuankun is a company incorporated under the laws of the PRC with limited liability and wholly-owned by the Company. Its principal business activity is property development and investment holding in relation to a group of real estate project companies in the PRC.

INFORMATION ABOUT MR. WANG SHENG YI, KEY SKY AND GRAND MORE

Key Sky is a company incorporated under the laws of the BVI with limited liability. It is wholly-owned by Mr. Wang Sheng Yi, the son of Mr. Wang Xiaoguang. The Wang's Family holds the entire equity interests in Tsanghao Group.

Grand More is a company incorporated on 17 April 2008 under the laws of the BVI with limited liability and wholly-owned by Key Sky. Its principal business activity is investment holding.

INFORMATION ABOUT TSANGHAO GROUP AND TSANGHAO REAL ESTATE COMPANY

Tsanghao Group is a company incorporated under the laws of the PRC with limited liability. It is wholly-owned by The Wang's Family. As at the date of this announcement, Tsanghao Group holds 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean, and the entire equity interests in Tsanghao Real Estate Company. Tsanghao Group is principally engaged in property development, hotel investment and decoration.

Tsanghao Real Estate Company is a company incorporated on 26 June 2007 under the laws of the PRC with limited liability with a registered capital of RMB150,000,000. It is wholly-owned by Tsanghao Group. Tsanghao Real Estate Company is principally engaged in property development and as at the date of this announcement before the completion of Tsanghao Re-organisation holds the Xiang Song Project and the Xi Shan Project.

The audited financial information of Tsanghao Real Estate Company for the nine-month ended 30 September 2008 and the year ended 31 December 2007 are as follows:

	Nine-month ended 30 September 2008 <i>audited</i> RMB'000	Year ended 31 December 2007 <i>audited</i> RMB'000
Net assets value	147,033	150,000
Net loss before taxation, extraordinary items and minority interest	2,967	Nil
Net loss after taxation, extraordinary items and minority interest	2,967	Nil

INFORMATION ABOUT DALIAN SKY UPRIGHT AND DALIAN SUNNY OCEAN

Dalian Sky Upright is a company incorporated on 20 March 2007 under the laws of the PRC with limited liability and a fully paid up registered capital of US\$76,860,000 (equivalent to RMB588,345,000 at an average translation rate of US\$1.00 = RMB7.6548). It is currently owned as to 49% equity interests by Tsanghao Group and 51% by Sino-Ocean HK, and therefore a non wholly-owned subsidiary of the Company. The principal business activity of Dalian Sky Upright is property development. Dalian Sky Upright jointly holds and develops the Red Star Project with Dalian Sunny Ocean.

Dalian Sunny Ocean is a company incorporated on 27 March 2007 under the laws of the PRC with limited liability and a fully paid up registered capital of US\$80,000,000 (equivalent to RMB609,384,000 at an average translation rate of US\$1.00 = RMB7.6173). It is currently owned as to 49% equity interests by Tsanghao Group

and 51% by Sino-Ocean HK, and therefore a non wholly-owned subsidiary of the Company. The principal business activity of Dalian Sunny Ocean is property development. Dalian Sunny Ocean jointly holds and develops the Red Star Project with Dalian Sky Upright.

The audited financial information of Dalian Sky Upright for the nine-month ended 30 September 2008 and the year ended 31 December 2007 are as follows:

	Nine-month ended 30 September 2008 <i>audited</i> RMB'000	Year ended 31 December 2007 <i>audited</i> RMB'000
Net assets value	578,625	586,655
Net loss before taxation, extraordinary items and minority interest	8,030	1,690
Net loss after taxation, extraordinary items and minority interest	8,030	1,690

The audited financial information of Dalian Sunny Ocean for the nine-month ended 30 September 2008 and the year ended 31 December 2007 are as follows:

	Nine-month ended 30 September 2008 <i>audited</i> RMB'000	Year ended 31 December 2007 <i>audited</i> RMB'000
Net assets value	605,202	608,089
Net loss before taxation, extraordinary items and minority interest	2,887	1,295
Net loss after taxation, extraordinary items and minority interest	2,887	1,295

INFORMATION ABOUT THE XIANG SONG PROJECT, THE XI SHAN PROJECT AND THE RED STAR PROJECT

The Xiang Song Project

The Xiang Song Project is a property development project consisting of two pieces of land situated in Zhuang He City, Dalian, Liaoning Province in the PRC with a total site area of approximately 107,516 sq.m (the “**Xiang Song Properties**”). The Land Use Right Certificates for combined commercial and residential use purposes have been obtained. The term of the land use rights for the commercial portion expires on 29 November 2047 and the residential portion expires on 29 November 2077.

Relevant Planning Permits for Construction of Land (建設用地規劃許可證), Planning Permit for Construction Works (建設工程規劃許可證, with an approved construction scale of approximately 175,685 sq.m.) and Permit for Commencement of Construction Works (建築工程施工許可證) in respect of the Xiang Song Properties have been obtained. The development of the Xiang Song Properties are expected to complete in 2009.

As at 30 September 2008, the Xiang Song Properties are valued at RMB190,000,000 as set out in the Valuation Report.

The Xi Shan Project

The Xi Shan Project is a property development project situated in Jin Ma Road, Dalian’s Economic Technology Development Zone, Dalian, Liaoning Province in the PRC, with a total site area of approximately 17,123 sq.m. (the “**Xi Shan Property**”). The Land Use Right Certificate for combined residential use purposes has been obtained. The term of the land use rights for the residential portion expires on 22 January 2058 and the public infrastructure portion expires on 22 January 2048. The demolition of the existing structures erected on the Xi Shan Property has not yet commenced.

As at 30 September 2008, the Xi Shan Property is valued at RMB136,000,000 as set out in the Valuation Report.

The Red Star Project

The Red Star Project is a property development project consisting of a piece of land situated in Red Star Bing Hai District, Dalian’s Economic Technology Development Zone, Dalian, Liaoning Province in the PRC, with a total site area of approximately 1,122,367 sq.m (the “**Red Star Property**”). Dalian Sky Upright and Dalian Sunny

Ocean have jointly obtained the Land Use Right Certificate for combined residential use purposes. The term of the land use rights for the residential portion expires on 9 January 2057 and the public infrastructure portion expires on 9 January 2047. The development of the Property is currently at the demolition and removal stage.

Two Planning Permits for Construction of Land (建設用地規劃許可證) for the Red Star Property have been obtained.

As at 30 September 2008, the Red Star Property is valued at RMB3,790,000,000 as set out in the Valuation Report.

Pre-sales of the Xiang Song Project and the Red Star Project

The Xiang Song Project and the Red Star Project are still under development and have commenced pre-sale for part of the properties. Certain number of pre-sale contracts have been entered into by Tsanghao Group with relevant purchasers and came up to an estimated contractual sum of RMB300,000,000 for the year 2008. The Group did not involve in any such pre-sale contracts. The Group intends to continue to develop the Xiang Song Project and the Red Star Project and does not have any current intention to dispose any of them.

**REASONS FOR AND BENEFITS OF THE TRANSACTIONS
CONTEMPLATED UNDER THE GRAND MORE SP AGREEMENT AND
TSANGHAO SP AGREEMENT**

Tsanghao Real Estate Company currently holds two property development projects in Dalian, Liaoning Province in the PRC, namely the Xiang Song Project and the Xi Shan Project. After completion of the Tsanghao Re-organisation, Tsanghao Real Estate Company will hold the 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean, which jointly hold the entire interest in the Red Star Project.

According to the audited financial statements as at 30 September 2008 of Tsanghao Real Estate Company, its net assets value was RMB147,033,000. According to the audited financial statements as at 30 September 2008 of Dalian Sky Upright and Dalian Sunny Ocean, their respective net assets value were RMB578,625,000 and RMB605,202,000, respectively.

Based on the Valuation Report, the value of the Xiang Song Project, the Xi Shan Project and the Red Star Project as at 30 September 2008 was approximately RMB190,000,000, RMB136,000,000 and RMB3,790,000,000 (equivalent to approximately RMB1,857,100,000 in terms of a 49% interest), respectively.

In light of the value of Tsanghao Real Estate Company and the three projects set out above, the aggregate consideration payable by the Company for the transactions contemplated under the Grand More SP Agreement and the Tsanghao SP Agreement in the sum of RMB1,200,000,000 (i.e. the Grand More Consideration plus the Tsanghao Consideration) represents a good opportunity for the Company to expand its portfolio of development projects.

Following completion of the Tsanghao SP Agreement, Tsanghao Real Estate Company, Dalian Sky Upright and Dalian Sunny Ocean will become wholly-owned subsidiaries of the Company, and hence the Xiang Song Project, the Xi Shan Project and the Red Star Project will become wholly-owned property development projects of the Company.

The Directors believe that as a result of the transactions contemplated under the Grand More SP Agreement and the Tsanghao SP Agreement which are in line with the business strategies and activities of the Group, the Group will be able to utilise the assets, resources and man power amongst Dalian Sky Upright, Dalian Sunny Ocean and Tsanghao Real Estate Company in the Xiang Song Project, the Xi Shan Project and the Red Star Project, all in Dalian. This will enable the Group to capture the growth opportunities in the property development sector in Dalian and broaden the Group's revenue base by developing these three projects. Having regard to the nature of and benefits resulting from the sale and purchase of Grand More and Tsanghao Real Estate Company, the Directors believe that the terms of both Grand More SP Agreement and the Tsanghao SP Agreement are fair and reasonable and in the best interest of the Company and its Shareholders taken as a whole.

PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE SHARES

Under the Grand More SP Agreement, the Company will issue the Consideration Shares to Key Sky as payment for the Grand More Consideration. The number of Consideration Shares to be issued will be determined by the Issue Price, but in any event will not be more than 202,711,000 new Shares. The Consideration Shares will rank *pari passu* with all the then existing Shares in issue.

The Company will seek the grant of specific mandate from the shareholders of the Company to allot and issue Shares, to satisfy the allotment and issue of the Consideration Shares.

LISTING RULES IMPLICATIONS

Key Sky is wholly-owned by Mr. Wang Sheng Yi, the son of Mr. Wang Xiaoguang. The Wang's family holds the entire equity interests in Tsanghao Group. Tsanghao Group holds 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean while Sino-Ocean HK holds the remaining 51% equity interests in each of them (each company being a non wholly-owned subsidiary of the Company).

As a substantial shareholder of the Company's non wholly-owned subsidiaries, Tsanghao Group is a connected person of the Company within the meaning of the Listing Rules. Mr. Mr. Wang Xiaoguang is an associate of Tsanghao Group is also a connected person of the Company within the meaning of the Listing Rules, and hence Mr. Wang Sheng Yi and Key Sky are also connected persons of the Company.

The transactions contemplated under the Grand More SP Agreement and the Tsanghao SP Agreement therefore constitute a connected transaction for the Company and are subject to the approval of the independent Shareholders.

Apart from Mr. Wang Xiaoming holding approximately 0.15% of the issued share capital of the Company as at the date of this announcement, each of the rest of the members of the Wang's Family, namely Mr. Wang Dashang, Mr. Wang Xiaoguang and Ms. Zhang Yanxin, and Mr. Wang Sheng Yi and Tsanghao Group and their respective associates does not have any shareholding in the Company. Mr. Wang Xiaoming will abstain from voting at the EGM.

The transactions contemplated under the Grand More SP Agreement are aggregated with the transactions contemplated under the Tsanghao SP Agreement pursuant to Rules 14.22 and 14.23 of the Listing Rules. Both transactions, when aggregated, constitute a discloseable transaction for the Company, on the basis that the calculation of the total assets and consideration ratios are within the range of 5% and 25%.

An independent board committee of the Company, consisting of all the independent non-executive Directors of the Company, namely Mr. Tsang Hing Lun, Mr. Gu Yunchang, Mr. Han Xiaojing and Mr. Zhao Kang, has been constituted to consider the terms of the Grand More SP Agreement and the Tsanghao SP Agreement and to make recommendations to the independent Shareholders. None of the members of the independent board committee of the Company has any material interest in the transactions contemplated under the Grand More SP Agreement and the Tsanghao SP

Agreement. Anglo Chinese has been appointed as independent financial adviser to advise the independent board committee of the Company and the independent Shareholders on the fairness and reasonableness of the transactions contemplated under the Grand More SP Agreement and the Tsanghao SP Agreement.

GENERAL

The Extraordinary General Meeting will be convened and held for the independent Shareholders to consider and, if thought fit, to approve the Grand More SP Agreement and the Tsanghao SP Agreement and the transactions contemplated thereunder. The Company will despatch a circular to the Shareholders containing, amongst other things, details of (i) the Grand More SP Agreement; (ii) the Tsanghao SP Agreement; (iii) the recommendation of the independent board committee to the independent Shareholders in respect of the Grand More SP Agreement and the Tsanghao SP Agreement; (iv) the letter of advice from the independent financial adviser in respect of the terms of the Grand More SP Agreement and the Tsanghao SP Agreement; and (v) a notice to convene the Extraordinary General Meeting, to approve and ratify the Grand More SP Agreement and the Tsanghao SP Agreement as soon as practicable.

DEFINITIONS

Unless the context requires otherwise, the following terms shall have the following meanings:

“Anglo Chinese”	Anglo Chinese Corporate Finance Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) permitted to engage in Types 1, 4, 6 and 9 regulated activities
“Assignment of Rights Agreement”	an assignment of rights and obligations agreement dated 27 October 2008 entered into between Tsanghao Group, Mr. Wang Sheng Yi and Grand More in relation to the assignment of the entire rights and obligations of Mr. Wang Sheng Yi (including the Tsanghao Option) under the Tsanghao Option Agreement to Grand More
“Beijing Yuankun”	北京遠坤房地產開發有限公司 (Beijing Yuankun Properties Development Company Limited)*, a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company

“Bright King”	Bright King International Limited (京朗國際有限公司), a company incorporated under the laws of the BVI with limited liability and a wholly-owned subsidiary of the Company
“Business Day”	means a day other than :- (i) a Saturday; (ii) a Sunday; or (iii) a public holiday in the PRC
“BVI”	the British Virgin Islands
“Company”	Sino-Ocean Land Holdings Limited (遠洋地產控股有限公司), a company incorporated under the laws of Hong Kong with limited liability and whose shares are listed on the Stock Exchange
“Dalian Sunny Ocean”	大連明遠置業有限公司 (Dalian Sunny-Ocean Property Limited)*, a company incorporated under the laws of the PRC and is currently owned as to 49% equity interests by Tsanghao Group and 51% by Sino-Ocean HK
“Dalian Sky Upright”	大連正乾置業有限公司 (Dalian Sky-Upright Property Limited)*, a company incorporated under the laws of the PRC and is currently owned as to 49% equity interests by Tsanghao Group and 51% by Sino-Ocean HK
“Directors”	the directors of the Company
“Extraordinary General Meeting”	an extraordinary general meeting of the Company to be convened and held for the independent Shareholders to consider and, if thought fit, approved and ratify the Grand More SP Agreement and the Tsanghao SP Agreement and the transactions contemplated thereunder;
“Grand More”	Grand More Group Limited (宏多集團有限公司), a company incorporated under the laws of the BVI with limited liability and a wholly-owned subsidiary of Key Sky
“Grand More Consideration”	the sum of RMB720,000,000

“Grand More SP Agreement”	the sale and purchase agreement dated 7 November 2008 entered into between Mr. Wang Sheng Yi and Key Sky as the vendors and Sino-Ocean HK and Bright King as the purchasers, with respect to the sale and purchase of the entire issued capital of Grand More
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Key Sky”	Key Sky Group Limited (天基集團有限公司), a company incorporated under the laws of the BVI with limited liability and wholly-owned by Mr. Wang Sheng Yi
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Red Star Project”	Red Star Bing Hai District Project (紅星濱海社區項目), a development project situated in Red Star Bing Hai District, Dalian’s Economic Technology Development Zone, Dalian, the PRC with a total site area of approximately 1,122,367 sq.m.
“Share(s)”	share(s) with nominal value of HK\$0.80 each in the issued share capital of the Company
“Shareholders”	holders of the Share(s)
“Sino-Ocean HK”	Sino-Ocean Land (Hong Kong) Limited (遠洋地產(香港)有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tsanghao Consideration”	the sum of RMB480,000,000
“Tsanghao Real Estate Company”	大連乾豪房地產開發有限公司 (Dalian Tsanghao Real Estate Company Limited)*, a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of Tsanghao Group

“Tsanghao Group”	乾豪集團有限公司 (Tsanghao Group Co Ltd)*, a company incorporated under the laws of the PRC with limited liability and wholly-owned by the Wang’s Family.
“Tsanghao Option”	a call option exclusively granted to Mr. Wang Sheng Yi by Tsanghao Group pursuant to the Tsanghao Option Agreement which could be exercised over the acquisition of the entire equity interests in Tsanghao Real Estate Company
“Tsanghao Option Agreement”	a call option agreement dated 20 March 2008 entered into between Tsanghao Group as the grantor and Mr. Wang Sheng Yi as the grantee in relation to the grant of the Tsanghao Option
“Tsanghao Re-organisation”	the re-organisation of Tsanghao Real Estate Company with respect to the transfer of Tsanghao Group’s 49% equity interests in each of Dalian Sky Upright and Dalian Sunny Ocean (which jointly hold the Red Star Project) to Tsanghao Real Estate Company and upon completion of which, Tsanghao Real Estate Company will hold 49% interest in the Red Star Project, apart from its existing 100% interest in the Xiang Song Project and the Xi Shan Project
“Tsanghao SP Agreement”	the sale and purchase agreement dated 7 November 2008 entered into between Tsanghao Group as the vendor and Beijing Yuankun as the purchaser, with respect to the sale and purchase of the entire equity interests in Tsanghao Real Estate Company
“Wang’s Family”	Mr. Wang Xiaoguang, Mr. Wang Dashang, Mr. Wang Xiaoming and Ms. Zhang Yanxin
“Valuation Report”	the valuation report issued by Vigers, an independent property valuer, on 28 October 2008 for assessing the value of the Xiang Song Project, the Xi Shan Project and the Red Star Project with 30 September 2008 as the record date, copy of which will be included in the circular of the Company

“Xiang Song Project”	Xiang Song Road Project (香頌大道項目), a development project situated in Zhuang He City, Dalian, the PRC with a total site area of approximately 107,516 sq.m.
“Xi Shan Project”	Tsanghao Xi Shan Redevelopment Project (乾豪西山改造項目), a development project situated in Jin Ma Road, Dalian’s Economic Technology Development Zone, Dalian, the PRC with a total site area of approximately 17,123 sq.m.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“sq. m.”	square metres
“%”	per cent.

* *The English names of the PRC established companies are translation only and in the event of any inconsistency, the Chinese names shall prevail.*

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

Hong Kong, 7 November 2008

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.