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中國海外發展有限公司
CHINA OVERSEAS LAND & INVESTMENT LTD.

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00688)

CONNECTED TRANSACTION

FORMATION OF JOINT VENTURE IN RELATION TO THE ESTABLISHMENT OF AN INVESTMENT FUND

The Company intends to establish the Fund for the purpose of investing in real estate investments and/or projects development opportunities in the PRC with other co-investors which include ICBCIIM and All Winwin. In connection with the establishment of the Fund, the parties also agreed to set up the JV Entities to manage and administer the affairs and investments of the Fund. It is expected that the size of the Fund is estimated to range from approximately US\$250 million (equivalent to approximately HK\$1,950 million) to US\$500 million (equivalent to approximately HK\$3,900 million).

On 17 March 2010, the Company, COLI Sub, ICBCIIM, ICBCIIM Sub and All Winwin entered into the JV Agreement in relation to the establishment and management of the Fund and the JV Entities. In addition, the Company, ICBCIIM and All Winwin (or their respective affiliates) will make their respective capital commitments to the Fund on First Closing.

As All Winwin is held as to 80% by Quality Time and Quality Time is wholly-owned by COHL, a substantial shareholder of the Company, All Winwin is an associate of COHL, and therefore, a connected person of the Company within the meaning of Chapter 14A of the Listing Rules. The JV Transaction constitutes a connected transaction of the Company and is subject to Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (as defined under the Listing Rules) with respect to the JV Transaction exceed 0.1% but less than 2.5%, the JV Transaction is only subject to reporting and announcement requirements set out in Rule 14A.45 to 14A.47 of the Listing Rules and is exempted from the independent shareholders' approval requirement.

THE JV AGREEMENT

The Company intends to establish the Fund for the purpose of investing in real estate investments and/or projects development opportunities in the PRC with other co-investors. In connection with the establishment of the Fund, the Company, ICBCIIM and All Winwin also agreed to set up the JV Entities to manage and administer the affairs and investments of the Fund.

On 17 March 2010, the Company, COLI Sub, ICBCIIM, ICBCIIM Sub and All Winwin entered into the JV Agreement for the purpose of recording certain arrangements with respect to the establishment and management of the Fund and the JV Entities. Principal terms of the JV Agreement are as follows:

- Date** : 17 March 2010
- Parties** : (i) the Company;
(ii) COLI Sub;
(iii) ICBCIIM;
(iv) ICBCIIM Sub; and
(v) All Winwin.

Information of the Fund

The Fund has been established in the Cayman Islands as an exempted limited partnership with the principal objective to invest, directly or indirectly, in the real estate investment projects and/or property development opportunities in the PRC.

The size of the Fund is estimated to range from approximately US\$250 million (equivalent to approximately HK\$1,950 million) to US\$500 million (equivalent to approximately HK\$3,900 million). As at the date of the JV Agreement, the Company, ICBCIIM and All Winwin have, between themselves, agreed to make a total capital commitment of US\$250 million (equivalent to approximately HK\$1,950 million).

It is expected that the Fund will have its First Closing on the date which investors (including the Company, ICBCIIM, All Winwin or their respective affiliates) with aggregate capital commitments to the Fund of not less than US\$250 million (equivalent to approximately HK\$1,950 million) are admitted as limited partners of the Fund.

Shareholding structures in the JV Entities

Pursuant to the JV Agreement, following the holding of a board meeting of each of the JV Entities to resolve, among others, the allotment of shares in each JV Entities to COLI Sub, ICBCIIM Sub and All Winwin, COLI Sub, ICBCIIM Sub and All Winwin will subscribe the shares in each of the JV Entities at par. Their respective shareholding percentage in each of the JV Entities will be as follows:

JV Entity	Shareholding Structure (COLI Sub:ICBCIIM Sub:All Winwin)
Fund Management Company	45:45:10
General Partner	50:50
Investment Advisor	45:45:10
Special Limited Partner	45:45:10

The aggregate subscription monies for subscribing the shares in the JV Entities for each of COLI Sub, ICBCIIM Sub and All Winwin will approximately be US\$450,100, US\$450,101 and US\$100,011 respectively.

Capital commitment to the Fund

Pursuant to the JV Agreement, it has been agreed that the respective capital commitments (directly or through their respective affiliates) to the Fund by the Company, ICBCIIM and All Winwin on the First Closing will be US\$120 million (equivalent to approximately HK\$936 million), US\$120 million (equivalent to approximately HK\$936 million) and US\$10 million (equivalent to approximately HK\$78 million) respectively. The aggregate capital commitment to the Fund by the Company, ICBCIIM and All Winwin will be US\$250 million (equivalent to approximately HK\$1,950 million).

Pursuant to the JV Agreement, it has been agreed that none of the parties shall be obliged to make its respective capital commitment to the Fund unless each of the other parties makes their respective capital commitment to the Fund at the same time.

The Company intends to fund its capital commitment from internal resources of the Group.

The capital commitment was determined after arms' length negotiations between the parties with reference to their respective shareholdings in the JV Entities and the capital requirement of the Fund.

It has been agreed that the JV Entities are intended to be self-financing, and that no party (or any of its affiliates) to the JV Agreement shall be obliged to contribute further funds or participate in any guarantee or similar undertaking for the benefit of the JV Entities or any of their subsidiaries (if any).

Board composition

The board of directors of each of the JV Entities and their respective subsidiaries shall be constituted as follows:

	Directors to be appointed by COLI Sub	Directors to be appointed by ICBCIIM Sub	Directors to be appointed by All Winwin
Fund Management			
Company	2	2	1
General Partner	2	2	—
Investment Advisor	2	2	1
Special Limited Partner	2	2	1

Every decision of the board of directors of the JV Entities shall require the affirmative vote of at least one director representing the Company and one director representing ICBCIIM.

Transfers and admission as limited partners to the Fund

Pursuant to the JV Agreement, the parties are not allowed to transfer or otherwise dispose of or to mortgage, charge, pledge, lien any of its shares in the JV Entities without first offering the right of first refusal to other parties.

It has been agreed that pursuant to the JV Agreement, the admission of any investor to the Fund as limited partner and the amount of each investor's capital commitment to be accepted by the Fund shall be subject to the joint approval of the Company and ICBCIIM.

Completion

Completion of the JV Agreement in relation to the subscription of shares in the JV Entities by COLI Sub, ICBCIIM Sub and All Winwin shall take place on 8 April 2010 or such other date as may be agreed in writing between the Company and ICBCIIM.

Termination of the JV Agreement

The JV Agreement shall commence on the date of the JV Agreement and shall terminate on the occurrence of any of the following events:

- (i) by the written agreement of the parties;
- (ii) if only one of the parties continues to hold shares in the JV Entities;
- (iii) on the winding up of the Fund and completion of the distribution of proceeds, if any, from such winding up; or
- (iv) both the appointments of each of the General Partner and the Fund Management Company are terminated in accordance with the terms of the (1) the management agreement to be entered into between the Fund and the Fund Management Company; and (2) the limited partnership agreement of the Fund.

REASONS FOR AND BENEFITS OF THE JV TRANSACTION

The Group strives to expedite its development and expand its development scale through joint ventures, merger and acquisitions. Setting up of the Fund is in line with this development strategy. The Board also considers that the JV Transaction is a viable investment which will be beneficial to the Group and the Shareholders as a whole.

The Directors, including the independent non-executive Directors, consider that the JV Transaction was entered into in the ordinary and usual course of business of the Company and on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF COLI SUB ICBCIIM, ALL WINWIN AND ICBCIIM SUB

COLI Sub is an investment company and a wholly-owned subsidiary of the Company. Its principle activities are holding interests in the JV Entities and invest in the Fund.

ICBCIIM is an investment management company which is engaged principally in direct investments and asset management.

All Winwin is an investment company and it is set up for the sole purpose of holding interests in the JV Entities and investing in the Fund. It is held as to 80% by Quality Time, an associate of COHL and 20% by Yue Wang Limited, a wholly-owned subsidiary of ICBCIIM.

ICBCIIM Sub is an investment company and it is set up for the sole purpose of holding interests in the JV Entities and investing in the Fund. It is a wholly-owned subsidiary of ICBCIIM.

INFORMATION OF THE GROUP

The Group is principally engaged in property development and investment project management, infrastructure project investments, investment holding, real estate agency and management and treasury operations.

IMPLICATIONS UNDER THE LISTING RULES

As All Winwin is held as to 80% by Quality Time and Quality Time is wholly-owned by COHL, a substantial shareholder of the Company, All Winwin is an associate of COHL, and therefore, a connected person of the Company within the meaning of Chapter 14A of the Listing Rules. The JV Transaction constitutes a connected transaction of the Company and is subject to Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (as defined under the Listing Rules) with respect to the JV Transaction exceed 0.1% but less than 2.5%, the JV Transaction is only subject to reporting and announcement requirements set out in Rule 14A.45 to 14A.47 of the Listing Rules and is exempted from the independent shareholders' approval requirement.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associate”	has the meaning as ascribed to it under the Listing Rules;
“All Winwin”	All Winwin Holdings Limited, a company incorporated under the laws of the British Virgin Islands. It is held as to 80% by Quality Time, a wholly-owned subsidiary of COHL, and therefore, a connected person of the Company;
“Board”	the board of directors of the Company;

“Business Days”	means a calendar day (except Saturdays or Sundays) on which banks operating in Hong Kong and the Macau Special Administrative Region of the PRC are open for ordinary business and dealings in inter-bank deposits and payments can take place;
“COHL”	China Overseas Holdings Limited, a substantial shareholder of the Company holding approximately 53.09% of the Company’s issued share capital;
“COLI Sub”	Generate Gold Investments Limited, a company incorporated under the laws of the British Virgin Islands and is a wholly-owned subsidiary of the Company;
“Company”	China Overseas Land & Investment Limited (stock code: 00688), a limited liability company incorporated in Hong Kong and the securities of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it pursuant to the Listing Rules;
“Directors”	the directors of the Company;
“First Closing”	the first closing of the Fund, i.e. the date on which the investors (including the Company, ICBCIIM, All Winwin or their respective affiliates) with aggregate capital commitments to the Fund of not less than US\$250 million (or such other amount as the Company, ICBCIIM and All Winwin may agree in writing) are admitted as limited partners of the Fund;
“Fund Management Company”	COLI ICBCI China Investment Management (Cayman Islands) Limited, a company incorporated under the laws of the Cayman Islands. It is responsible for the day-to-day operations and management of the Fund;
“Fund”	Harmony China Real Estate Fund, L.P., an exempted limited partnership established and registered under the laws of the Cayman Islands;
“General Partner”	COLI ICBCI China Real Estate GP Limited, a company incorporated under the laws of the Cayman Islands. It conducts and directs the business and affairs of the Fund and manages and controls the Fund’s operation;

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“ICBCIIM”	ICBC International Investment Management Limited, a company incorporated under the laws of the British Virgin Islands;
“ICBCIIM Sub”	Create Max Limited, a company incorporated under the laws of the British Virgin Islands and is a wholly-owned subsidiary of ICBCIIM;
“Investment Advisor”	COLI ICBC China Investment Management Limited, a company incorporated under the laws of Hong Kong. It provides investment advisory and other administrative services to the Fund Management Company;
“JV Agreement”	the joint venture agreement dated 17 March 2010 entered into between the Company, All Winwin, ICBCIIM, ICBCIIM Sub and COLI Sub in relation to the establishment and management of the JV Entities and the Fund;
“JV Entities”	the Fund Management Company, the General Partner, the Investment Advisor and the Special Limited Partner;
“JV Transaction”	the entering into of the JV Agreement and the transactions contemplated thereunder;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“Quality Time”	Quality Time Investments Ltd., a company incorporated under the laws of the British Virgin Islands and is a wholly-owned subsidiary of COHL;
“Shareholders”	holders of the ordinary share(s) of HK\$0.10 each in the share capital of the Company;

“Special Limited Partner”	COLI ICBCI China Real Estate SLP Limited, a company incorporated under the laws of the Cayman Islands. It acts as the special limited partner of the Fund and for the sole purpose of facilitating arrangements of the carried interest distributions arising from the investments of the Fund;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

By order of the Board
China Overseas Land & Investment Ltd.
Kong Qingping
Chairman

Hong Kong, 17 March 2010

As at the date of this announcement, the executive directors of the Company are Mr. Kong Qingping (Chairman), Mr. Hao Jian Min (Vice Chairman and Chief Executive Officer), Mr. Xiao Xiao (Vice Chairman), Mr. Chen Bin, Mr. Dong Daping, Mr. Nip Yun Wing, Mr. Luo Liang and Mr. Lin Xiaofeng; the non-executive director is Mr. Wu Jianbin (Vice Chairman); and the independent non-executive directors are Mr. Li Kwok Po, David, Mr. Lam Kwong Siu, Mr. Wong Ying Ho, Kennedy and Madam Fan Hsu Lai Tai, Rita.

For illustration purpose only, translation of HK\$ to US\$ is made in this announcement at the rate of HK\$7.80 to US\$1.00 respectively.