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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)

CONTINUING CONNECTED TRANSACTIONS LEASING OF PROPERTIES

Master Lease Agreement between Beijing Yuanyang Building and COSCO Hotel and Property Management

On 31 December 2009, two non wholly-owned subsidiaries of the Company, namely Beijing Yuanyang Building and COSCO Hotel and Property Management, entered into a master lease agreement, pursuant to which Beijing Yuanyang Building has agreed to let certain parts and units on floor B1, floor B2 and floor B3 and four parking lots of Ocean Plaza (Beijing) with a total gross floor area of approximately 1,486 sq.m. (excluding parking lots) to COSCO Hotel and Property Management for a term of three years, during which COSCO Hotel and Property Management may from time to time lease or cease leasing any of such parts, units and parking lots by serving a six months' prior written notice to Beijing Yuanyang Building in accordance with the terms of such master lease agreement.

Property Lease between Beijing Yuanyang Building and COSCO Hotel and Property Management

On 31 December 2009, Beijing Yuanyang Building and COSCO Hotel and Property Management entered into a lease agreement for a term of three years, pursuant to which Beijing Yuanyang Building has agreed to let a part of floor B1 of Ocean Plaza (Beijing) with a total gross floor area of approximately 2,328 sq.m. to COSCO Hotel and Property Management in accordance with the terms of such lease agreement for COSCO Hotel and Property Management to use such part to operate a cafeteria.

Property Lease between Beijing Yuanyang Building and China COSCO

On 31 December 2009, Beijing Yuanyang Building and China COSCO entered into a lease agreement, pursuant to which Beijing Yuanyang Building has agreed to let office unit nos. F305A, F312, F410 and F411 and the underground warehouse of Ocean Plaza (Beijing) with a total gross floor area of approximately 1,456 sq.m. to China COSCO for a term of one year, during which China COSCO may from time to time lease or cease leasing any of such units and the warehouse by serving a six months' prior written notice to Beijing Yuanyang Building in accordance with the terms of such lease agreement.

On the basis that the transactions contemplated under the three lease agreements described above are aggregated for the purposes of Rule 14A.25 of the Listing Rules, the maximum aggregate value of the annual consideration of the transactions contemplated under such three lease agreements for the three years ending 31 December 2012 are expected to be approximately RMB6.3 million, RMB2.5 million and RMB2.7 million, respectively.

Listing Rules Implications

Beijing Yuanyang Building is a non wholly-owned subsidiary and a connected person of the Company under Rule 14A.11(5) of the Listing Rules, since it is owned as to 72% by the Company and as to 28% by Xiangyuan (Beijing) Investment Co., Ltd., which in turn is an associate of the substantial shareholder of the Company, namely COSCO. China COSCO is a connected person of the Company under the Listing Rules, since it is owned as to 53.75% by COSCO. Accordingly, the transactions contemplated under the three lease agreements described above constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the maximum aggregate value of the annual consideration under the three lease agreements described above exceed 0.1% but are less than 2.5%, such lease agreements and the transactions contemplated under them are subject to the reporting and announcement requirements pursuant to Rule 14A.34 of the Listing Rules but are exempted from independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

MASTER LEASE AGREEMENT BETWEEN BEIJING YUANYANG BUILDING AND COSCO HOTEL AND PROPERTY MANAGEMENT

Background

On 31 December 2009, two non wholly-owned subsidiaries of the Company, namely Beijing Yuanyang Building and COSCO Hotel and Property Management, entered

into the Master Lease Agreement, pursuant to which Beijing Yuanyang Building has agreed to let certain parts and units on floor B1, floor B2 and floor B3 and four parking lots of Ocean Plaza (Beijing) with a total gross floor area of approximately 1,486 sq.m. (excluding parking lots) to COSCO Hotel and Property Management for a term of three years, during which COSCO Hotel and Property Management may from time to time lease or cease leasing any of such parts, units and parking lots by serving a six months' prior written notice to Beijing Yuanyang Building in accordance with the terms of the Master Lease Agreement.

Principal terms

The principal terms of the Master Lease Agreement are as follows:

Date: 31 December 2009

Landlord: Beijing Yuanyang Building

Tenant: COSCO Hotel and Property Management

Property, use and rental: During the three years' term of the Master Lease Agreement, COSCO Hotel and Property Management may from time to time, by serving a six months' prior written notice to Beijing Yuanyang Building in accordance with the terms of the Master Lease Agreement, lease or cease leasing any of the following parts, units and parking lots of Ocean Plaza (Beijing) with a total gross floor area of approximately 1,486 sq.m. (excluding parking lots) at the following monthly rental (exclusive of management fees and other charges and outgoings), which will be reviewed every 12 months subject to early termination of the lease:

	<i>RMB</i>
	<i>approximately</i>
Mezzanine part on floor B1 (east)	40,806
Carpentry workshop on floor B2	11,920
Staff quarters on floor B3	37,882
Warehouse on floor B3	23,955
Standby room on floor B1	2,400
Bicycle garage on floor B1 (west)	3,280
Four parking lots	<u>4,400</u>
Total	<u><u>124,643</u></u>

Term: From 1 January 2010 to 31 December 2012

Annual Caps for the three years ending 31 December 2012

The Annual Caps under the Master Lease Agreement for the three years ending 31 December 2012 are approximately RMB1.6 million, RMB1.8 million and RMB2.0 million, respectively. Such Annual Caps are arrived at on the basis of the maximum aggregate annual rental and other charges and outgoings payable by COSCO Hotel and Property Management to Beijing Yuanyang Building assuming that COSCO Hotel and Property Management will lease all of those parts, units and parking lots of Ocean Plaza (Beijing) subject to the Master Lease Agreement with a total gross floor area of approximately 1,486 sq.m. (excluding parking lots) continuously throughout the three years' term of the Master Lease Agreement and of an estimated growth of the market rental at around 10% per annum.

PROPERTY LEASE BETWEEN BEIJING YUANYANG BUILDING AND COSCO HOTEL AND PROPERTY MANAGEMENT

Background

On 31 December 2009, Beijing Yuanyang Building and COSCO Hotel and Property Management entered into the COSCO Hotel Lease Agreement for a term of three years, pursuant to which Beijing Yuanyang Building has agreed to let a part of floor B1 of Ocean Plaza (Beijing) with a total gross floor area of approximately 2,328 sq.m. to COSCO Hotel and Property Management in accordance with the terms of the COSCO Hotel Lease Agreement for COSCO Hotel and Property Management to use such part to operate a cafeteria.

Principal terms

The principal terms of the COSCO Hotel Lease Agreement are as follows:

Date:	31 December 2009
Landlord:	Beijing Yuanyang Building
Tenant:	COSCO Hotel and Property Management
Property:	Part of floor B1 of Ocean Plaza (Beijing) with a total gross floor area of approximately 2,328 sq.m.
Use:	Cafeteria
Rental:	RMB80,250 per month (exclusive of management fees and other charges and outgoings)

- Rent free period:** COSCO Hotel and Property Management will enjoy the following rent free periods for a total of ten months:
(1) 1 September 2010 to 31 December 2010;
(2) 1 October 2011 to 31 December 2011; and
(3) 1 October 2012 to 31 December 2012
- Term:** From 1 January 2010 to 31 December 2012
- Security deposit:** To secure performance by COSCO Hotel and Property Management of its obligations under the COSCO Hotel Lease Agreement, COSCO Hotel and Property Management will, within five days from execution of the COSCO Hotel Lease Agreement, pay to Beijing Yuanyang Building a security deposit equivalent to three months' rental, the remaining balance of which will be returned to COSCO Hotel and Property Management without interest within 90 days after expiry or termination of the COSCO Hotel Lease Agreement and deducting all amounts due and payable to Beijing Yuanyang Building under the COSCO Hotel Lease Agreement

Annual Caps for the three years ending 31 December 2012

The Annual Cap under the COSCO Hotel Lease Agreement for the three years ending 31 December 2012 are approximately RMB700,000, RMB700,000 and RMB700,000, respectively. Such Annual Caps are arrived at on the basis of the aggregate annual rental and other charges and outgoings payable by COSCO Hotel and Property Management to Beijing Yuanyang Building under the COSCO Hotel Lease Agreement based on the fixed monthly rental of RMB80,250 with the adjustment of rent free periods under the COSCO Hotel Lease Agreement.

PROPERTY LEASE BETWEEN BEIJING YUANYANG BUILDING AND CHINA COSCO

Background

On 31 December 2009, Beijing Yuanyang Building and China COSCO entered into the China COSCO Lease Agreement, pursuant to which Beijing Yuanyang Building has agreed to let office unit nos. F305A, F312, F410 and F411 and the underground warehouse of Ocean Plaza (Beijing) with a total gross floor area of approximately 1,456 sq.m. to China COSCO for a term of one year, during which China COSCO may from time to time lease or cease leasing any of such units and the warehouse by serving a six months' prior written notice to Beijing Yuanyang Building in accordance with the terms of the China COSCO Lease Agreement.

Principal Terms

The principal terms of the China COSCO Lease Agreement are as follows:

Date:	31 December 2009												
Landlord:	Beijing Yuanyang Building												
Tenant:	China COSCO												
Property, use and rental:	<p>During the one year's term of the China COSCO Lease Agreement, China COSCO may from time to time, by serving a six months' prior written notice to Beijing Yuanyang Building in accordance with the terms of the China COSCO Lease Agreement, lease or cease leasing any of the following office units and warehouse of Ocean Plaza (Beijing) with a total gross floor area of approximately 1,456 sq.m. at the following monthly rental (exclusive of management fees and other charges and outgoings):</p> <table><thead><tr><th></th><th style="text-align: right;"><i>RMB</i></th></tr></thead><tbody><tr><td></td><td style="text-align: right;"><i>approximately</i></td></tr><tr><td>Office unit nos. F305A, F312, F410 and F411</td><td style="text-align: right;">221,244</td></tr><tr><td>Underground warehouse</td><td style="text-align: right;">40,181</td></tr><tr><td>Telephone and public network facilities</td><td style="text-align: right;"><u>57,770</u></td></tr><tr><td>Total</td><td style="text-align: right;"><u>319,195</u></td></tr></tbody></table>		<i>RMB</i>		<i>approximately</i>	Office unit nos. F305A, F312, F410 and F411	221,244	Underground warehouse	40,181	Telephone and public network facilities	<u>57,770</u>	Total	<u>319,195</u>
	<i>RMB</i>												
	<i>approximately</i>												
Office unit nos. F305A, F312, F410 and F411	221,244												
Underground warehouse	40,181												
Telephone and public network facilities	<u>57,770</u>												
Total	<u>319,195</u>												
Term:	From 1 January 2010 to 31 December 2010												

Annual Cap for the year ending 31 December 2010

The Annual Cap under the China COSCO Lease Agreement for the year ending 31 December 2010 is approximately RMB4.0 million. Such Annual Cap is arrived at on the basis of the aggregate annual rental and other charges and outgoings payable by China COSCO to Beijing Yuanyang Building under the China COSCO Lease Agreement based on the fixed monthly rental of RMB320,000.

On the basis that the transactions contemplated under the Lease Agreements are aggregated for the purposes of Rule 14A.25 of the Listing Rules, the aggregate Annual Caps under the Lease Agreements for the three years ending 31 December 2012 are expected to be approximately RMB6.3 million, RMB2.5 million and RMB2.7 million, respectively.

LISTING RULES IMPLICATIONS

Beijing Yuanyang Building is a non wholly-owned subsidiary and a connected person of the Company under Rule 14A.11(5) of the Listing Rules, since it is owned as to 72% by the Company and as to 28% by Xiangyuan (Beijing) Investment Co., Ltd., which in turn is an associate of the substantial shareholder of the Company, namely COSCO. China COSCO is a connected person of the Company under the Listing Rules, since it is owned as to 53.75% by COSCO. Accordingly, the transactions contemplated under the three lease agreements described above constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the aggregate Annual Caps under the Lease Agreements exceed 0.1% but are less than 2.5%, the Lease Agreements and the transactions contemplated under them are subject to the reporting and announcement requirements pursuant to Rule 14A.34 of the Listing Rules but are exempted from independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFIT OF ENTERING INTO THE LEASE AGREEMENTS

The Group holds certain units in Ocean Plaza (Beijing) and in other properties for investment and rental purposes. The Lease Agreements are entered into after arm's length negotiations and are on normal commercial terms. The transactions contemplated under the Lease Agreements enable the Group to have stable and satisfactory rental revenue.

The Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Lease Agreements are on normal commercial terms, and such terms as well as the aggregate Annual Caps under the Lease Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL

The Group is one of the largest real estate companies in Beijing and has a diversified portfolio of development projects and investment projects. The Group primarily develops medium to high-end residential properties, premium grade office premises, retail spaces and serviced apartments.

The core business of Beijing Yuanyang Building is property investment.

The core business of COSCO Hotel and Property Management is hotel and property management.

China COSCO, through its various subsidiaries, is one of the leading global providers of a wide range of container shipping, dry bulk shipping, logistics, terminals and container leasing services covering the whole shipping value chain for both international and domestic customers.

DEFINITIONS

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

“Annual Cap”	the maximum aggregate value of the annual consideration of the relevant continuing connected transaction referred to in this announcement for the relevant year set by the Company
“associate”	has the meaning ascribed to it under the Listing Rules
“Beijing Yuanyang Building”	北京遠洋大廈有限公司 (Beijing Yuanyang Building Co., Ltd.*), a company established under the laws of the PRC on 21 December 1994
“China COSCO”	中國遠洋控股股份有限公司 (China COSCO Holdings Company Limited), a joint stock limited company established under the laws of the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1919) and the A shares of which are listed on the Shanghai Stock Exchange in the PRC (Stock Code: 601919)
“China COSCO Lease Agreement”	the property lease agreement dated 31 December 2009 between Beijing Yuanyang Building and China COSCO

“Company”	Sino-Ocean Land Holdings Limited (遠洋地產控股有限公司), a company incorporated with limited liability under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and whose shares are listed on Main Board of The Stock Exchange of Hong Kong Limited
“connected person”	has the meaning ascribed to it under the Listing Rules
“COSCO”	中國遠洋運輸(集團)總公司 (China Ocean Shipping (Group) Company*), a Chinese state-owned enterprise established under the laws of the PRC
“COSCO Hotel and Property Management”	中遠酒店物業管理有限公司 (COSCO Hotel and Property Management Co., Ltd.*), a company established under the laws of the PRC
“COSCO Hotel Lease Agreement”	the property lease agreement dated 31 December 2009 between Beijing Yuanyang Building and COSCO Hotel and Property Management
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Lease Agreements”	collectively, the Master Lease Agreement, the China COSCO Lease Agreement and the COSCO Hotel Lease Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Lease Agreement”	the master lease agreement dated 31 December 2009 between Beijing Yuanyang Building and COSCO Hotel and Property Management
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“substantial shareholders”	has the meaning ascribed to it under the Listing Rules

“subsidiary” has the meaning ascribed to it under the Listing Rules
“sq.m.” square meter

** 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
Sum Pui Ying
Company Secretary

Hong Kong, 31 December 2009

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.