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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)



GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司*

*(incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 03900)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

**DISPOSAL OF 49% OF ISSUED
SHARE CAPITAL OF POLY LINK
MANAGEMENT LIMITED**

DISCLOSEABLE TRANSACTION

**ACQUISITION OF 24.5% OF ISSUED
SHARE CAPITAL OF POLY LINK
MANAGEMENT LIMITED**

On 31 December 2010, SOL HK (an indirect wholly-owned subsidiary of Sino-Ocean), Greentown and Zhejiang Railway Group entered into the Co-operation Agreement, pursuant to which (i) SOL HK agreed to dispose and Greentown agreed to itself or through its designated offshore associate purchase the Poly Link 24.5% Shares; and (ii) SOL HK agreed to dispose and Zhejiang Railway Group agreed to itself or through its designated offshore associate purchase the Poly Link Additional 24.5% Shares, at a total consideration payable to SOL HK of approximately RMB1,846 million (equivalent to approximately HK\$2,104.44 million, being approximately RMB923 million (equivalent to approximately HK\$1,052.22 million) payable by each of Greentown and Zhejiang Railway Group), subject to the terms of the Co-operation Agreement.

As at the date of this announcement, Poly Link is an indirect wholly-owned subsidiary of Sino-Ocean and is an investment holding company that indirectly holds 100% equity interests in the Three Project Companies. After completion of the Disposal in accordance with the terms of the Co-operation Agreement, Poly Link will be owned as to 51% by SOL HK, as to 24.5% by Greentown and as to 24.5% by Zhejiang Railway Group.

As one or more of the applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25%, such transaction constitutes a discloseable transaction of Sino-Ocean under Chapter 14 of the Listing Rules, and is subject to the announcement requirement but is exempt from the independent shareholders' approval requirement under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Greentown Acquisition exceed 5% but are less than 25%, such transaction constitutes a discloseable transaction of Greentown under Chapter 14 of the Listing Rules, and is subject to the announcement requirement but is exempt from the independent shareholders' approval requirement under the Listing Rules.

On 31 December 2010, SOL HK (an indirect wholly-owned subsidiary of Sino-Ocean), Greentown and Zhejiang Railway Group entered into the Co-operation Agreement, pursuant to which (i) SOL HK agreed to dispose and Greentown agreed to itself or through its designated offshore associate purchase the Poly Link 24.5% Shares; and (ii) SOL HK agreed to dispose and Zhejiang Railway Group agreed to itself or through its designated offshore associate purchase the Poly Link Additional 24.5% Shares, at a total consideration payable to SOL HK of approximately RMB1,846 million (equivalent to approximately HK\$2,104.44 million, being approximately RMB923 million (equivalent to approximately HK\$1,052.22 million) payable by each of Greentown and Zhejiang Railway Group), subject to the terms of the Co-operation Agreement.

THE CO-OPERATION AGREEMENT

The principal terms of the Co-operation Agreement are summarized below:

Date

31 December 2010

Parties

- (a) SOL HK as vendor;
- (b) Greentown as purchaser; and
- (c) Zhejiang Railway Group as purchaser.

As at the date of this announcement, to the best knowledge, information and belief of the SOL Directors having made all reasonable enquiries, Greentown, Zhejiang Railway Group and their respective ultimate beneficial owners are independent of Sino-Ocean and any connected persons (as defined in the Listing Rules) of Sino-Ocean.

As at the date of this announcement, to the best knowledge, information and belief of the Greentown Directors having made all reasonable enquiries, SOL HK, Zhejiang Railway Group and their respective ultimate beneficial owners are independent of Greentown and any connected persons (as defined in the Listing Rules) of Greentown.

Subject matter

Subject to the terms of the Co-operation Agreement, (i) SOL HK agreed to dispose and Greentown agreed to itself or through its designated offshore associate purchase the Poly Link 24.5% Shares, being 24.5% of the issued share capital of Poly Link; and (ii) SOL HK agreed to dispose and Zhejiang Railway Group agreed to itself or through its designated offshore associate purchase the Poly Link Additional 24.5% Shares, being 24.5% of the issued share capital of Poly Link.

Consideration

The total consideration for the Poly Link 24.5% Shares and the Poly Link Additional 24.5% Shares is approximately RMB1,846 million, which has been determined after arm's length negotiations between SOL HK, Greentown and Zhejiang Railway Group with reference to, among others, (i) the registered capital of the Three Project Companies injected by the SOL Group; (ii) the shareholder's loan advanced to the Three Project Companies by the SOL Group; and (iii) the appraised value of the Sites determined by an independent valuer who has adopted the direct comparison approach in determining the value of the Sites as at 30 November 2010.

Payment terms

The total consideration will be paid to SOL HK at its designated bank account by installments in the following manner:

- (i) not less than RMB1,300 million or its equivalent amount in another currency will be paid by Greentown (or its associate) and Zhejiang Railway Group (or its associate) on a joint and several liability basis on or before 31 December 2010; and
- (ii) the remaining balance of the total consideration of approximately RMB546 million or its equivalent amount in another currency will be paid by Greentown (or its associate) and Zhejiang Railway Group (or its associate) on a joint and several liability basis on or before 31 January 2011.

In the event that Greentown or Zhejiang Railway Group or their respective associates fails to pay the total consideration in full according to the agreed schedule as stated above, SOL HK will have the right to cancel the Disposal.

Greentown and Zhejiang Railway Group jointly and severally undertook to pay the total consideration in full. In the event that either Greentown or Zhejiang Railway Group fails to pay any part of the total consideration, SOL HK will have the right to directly demand the other purchaser to fulfill the payment obligations in full.

Completion

Completion of the Disposal will take place on the date of full payment of the total consideration or such later date as agreed by the parties but in any event will not be later than 28 February 2011.

Other material terms

Board composition

The board of directors of each of Poly Link and the Three Project Companies will comprise five directors. SOL HK is entitled to nominate three directors and each of Greentown and Zhejiang Railway Group is entitled to nominate one director.

Further investors

SOL HK has the right to, in accordance with the development strategy of the Hangzhou Business Area Project, introduce third party strategic investors and Greentown and Zhejiang Railway Group agreed that in such circumstances, it will either transfer part of its shareholding in Poly Link to such strategic investor or agree to the issue of new shares by Poly Link or any of the Three Project Companies to such strategic investor thereby resulting in a dilution of their respective interest therein on pro-rata basis so as to ensure the completion of the investment by such strategic investors into the Hangzhou Business Area Project.

Pre-emptive right

Prior written consent from the other parties should be obtained before any party transfers, pledges or otherwise disposes of part or all of its shareholding in Poly Link. If the other parties object to such transfer, such parties will have the pre-emptive right to purchase such shares of Poly Link.

INFORMATION ON POLY LINK GROUP

Poly Link is a company incorporated under the laws of the British Virgin Islands with limited liability. As at the date of this announcement, Poly Link is an indirect wholly-owned subsidiary of Sino-Ocean and is an investment holding company that indirectly holds 100% equity interests in the Three Project Companies. The Three Project Companies are the developers of the Hangzhou Business Area Project locating on the Sites.

Based upon the unaudited consolidated financial information of the Poly Link Group for the two years ended 31 December 2009 prepared in accordance with the generally accepted accounting principles in Hong Kong, it recorded an unaudited loss (both before and after taxation and extraordinary items) of approximately RMB4.29 million and RMB13.65 million, respectively.

As at 30 June 2010, the unaudited consolidated total asset value and net asset value of the Poly Link Group amounted to approximately RMB5,696 million and RMB2,138 million, respectively.

After completion of the Disposal in accordance with the terms of the Co-operation Agreement, Poly Link will be owned as to 51% by SOL HK, as to 24.5% by Greentown and as to 24.5% by Zhejiang Railway Group, and Poly Link will remain as a subsidiary of Sino-Ocean.

Sino-Ocean intends to use the net proceeds of approximately RMB1,846 million for general working capital of the SOL Group. It is estimated that the gain arising from the Disposal accrue to Sino-Ocean will be approximately RMB300 million, which is calculated with reference to the difference between (i) the consideration payable by Greentown and Zhejiang Railway Group to SOL HK; and (ii) 49% of the net asset value of the Poly Link Group as at 30 June 2010 with adjustment of the value appreciations of the Sites as at 30 November 2010.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CO-OPERATION AGREEMENT

Sino-Ocean is actively looking for a strategic partner with strong capital base and business presence in Hangzhou to cooperate with it in the development of the Hangzhou Business Area Project. Sino-Ocean believes that it will be able to leverage on the local market expertise and knowledge of such strategic partner which will be beneficial to the long-term development of the Hangzhou Business Area Project and other future projects of the Company in Hangzhou. The SOL Directors believe that through the Disposal, Greentown and Zhejiang Railway Group will become the strategic partners of the Hangzhou Business Area Project. Through the co-operation with Greentown and Zhejiang Railway Group upon completion of the Disposal, the SOL Group can jointly develop the Hangzhou Business Area Project with well-known property developers in China. The SOL Directors further believe that through co-operation with Greentown and Zhejiang Railway Group, the Hangzhou Business Area Project will more successfully attract and bring in well known companies as customers or tenants through leveraging the brand and the network of all parties.

The Greentown Acquisition would enable the Greentown Group to strengthen its market share within the property industry in Hangzhou. The Greentown Directors

believe that the Greentown Acquisition will improve the income base and thus increase the earnings of the Greentown Group by the increase in the total land bank of the Greentown Group. The Greentown Directors also believe that through the Greentown Acquisition, the Greentown Group will, together with the SOL Group and Zhejiang Railway Group, become the strategic partners so as to jointly develop the Hangzhou Business Area Project and through leveraging the brand and the network of all parties, the Hangzhou Business Area Project will more successfully attract and bring in well known comprising as customers or tenant. The Greentown Directors are also optimistic about the prospect of the property market in Hangzhou.

The SOL Directors are of the view that the Co-operation Agreement is on normal commercial terms and that the terms of the Co-operation Agreement are fair and reasonable and in the interest of Sino-Ocean and its shareholders as a whole.

The Greentown Directors are of the view that the Co-operation Agreement is on normal commercial terms and that the terms of the Co-operation Agreement are fair and reasonable and in the interest of Greentown and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25%, such transaction constitutes a discloseable transaction of Sino-Ocean under Chapter 14 of the Listing Rules, and is subject to the announcement requirement but is exempt from the independent shareholders' approval requirement under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Greentown Acquisition exceed 5% but are less than 25%, such transaction constitute a discloseable transaction of Greentown under Chapter 14 of the Listing Rules, and is subject to the announcement requirement but is exempt from the independent shareholders' approval requirement under the Listing Rules.

GENERAL INFORMATION ABOUT SINO-OCEAN AND GREENTOWN AND PARTIES INVOLVED IN THE TRANSACTION

Sino-Ocean is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business activity of Sino-Ocean is investment holding. The major subsidiaries of Sino-Ocean are principally engaged in property development, property investment and other activities (including hotel operation, property management, property sales agency and related services) in the PRC. SOL HK is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Sino-Ocean. The principal business activity of SOL HK is investment holding.

Greentown is a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Greentown Group is one of the leading residential property developers in the PRC and is principally engaged in developing quality residential properties targeting in middle to higher income residents in the PRC.

Zhejiang Railway Group is a company established under the laws of the PRC with limited liability and is a large state-owned entity principally engaged in railway investment, operation, management and construction.

DEFINITIONS

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

“Board”	the board of Directors
“Co-operation Agreement”	the co-operation agreement dated 31 December 2010 entered into among SOL HK, Greentown and Zhejiang Railway Group in relation to the sale and purchase of the Poly Link 24.5% Shares and the Poly Link Additional 24.5% Shares
“Disposal”	the disposal of the Poly Link 24.5% Shares and the Poly Link Additional 24.5% Shares, representing 49% of the issued share capital of Poly Link by SOL HK contemplated under the Co-operation Agreement
“Greentown”	Greentown China Holdings Limited (綠城中國控股有限公司*), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 03900)
“Greentown Acquisition”	the acquisition by Greentown of the Poly Link 24.5% Shares, representing 24.5% of the issued share capital of Poly Link by Greentown from SOL HK contemplated under the Co-operation Agreement
“Greentown Director(s)”	director(s) of Greentown
“Greentown Group”	Greentown and its subsidiaries
“Hangzhou Business Area Project”	the commercial and residential property development project located on the Sites

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“Poly Link”	Poly Link Management Limited (盛聯管理有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Sino-Ocean as at the date of this announcement
“Poly Link 24.5% Shares”	24.5% of the issued share capital of Poly Link held by SOL HK
“Poly Link Additional 24.5% Shares”	24.5% of the issued share capital of Poly Link held by SOL HK
“Poly Link Group”	Poly Link and its subsidiaries, including the Three Project Companies
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sites”	the land plots with a total site area of approximately 198,782 sq. m. and located at No. 101 Dagan Street, Gongshu District, Hangzhou, Zhejiang Province, the PRC
“Sino-Ocean”	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)
“SOL Director(s)”	director(s) of Sino-Ocean
“SOL Group”	Sino-Ocean and its subsidiaries
“SOL HK”	Sino-Ocean Land (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Sino-Ocean
“sq. m.”	square metres

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Three Project Companies”	杭州遠洋天祺置業有限公司 (Hanzhou Sino-Ocean Tian Qi Properties Limited*), 杭州遠洋運河商務區開發有限公司 (Hanzhou Sino-Ocean Canal Business District Development Limited*) and 杭州遠洋新河酒店置業有限公司 (Hanzhou Sino-Ocean New River Hotel Properties Limited*), established under the laws of the PRC with limited liability and indirect wholly-owned subsidiaries of Poly Link
“Zhejiang Railway Group”	浙江省鐵路投資集團有限公司 (Zhejiang Railway Investment Group Limited*), a state-owned company established under the laws of the PRC which is not listed on the Stock Exchange

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.14 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute representations that any amount in RMB or HK\$ has been, could have been or may be converted at such rate.

* *For identification purposes only*

By Order of the Board
Sino-Ocean Land Holdings Limited
Adrian Sum
Company Secretary

By Order of the Board
Greentown China Holdings Limited
Song Weiping
Chairman

Hong Kong, 31 December 2010

As at the date of this announcement, the SOL Directors comprise:

<i>Executive Directors:</i>	<i>Non-executive Directors:</i>	<i>Independent non-executive Directors:</i>
Mr. LI Ming	Ms. LIU Hui	Mr. TSANG Hing Lun
Mr. WANG Xiaoguang	Mr. LIANG Yanfeng	Mr. GU Yunchang
Mr. CHEN Runfu	Mr. WANG Xiaodong	Mr. HAN Xiaoqing
		Mr. ZHAO Kang

As at the date of this announcement, the Greentown Directors comprise:

<i>Executive Directors:</i>	<i>Independent non-executive Directors:</i>
Mr. Song Weiping	Mr. Jia Shenghua
Mr. Shou Bainian	Mr. Jiang Wei
Mr. Luo Zhaoming	Mr. Sze Tsai Ping, Michael
Mr. Guo Jiafeng	Mr. Tang Shiding
	Mr. Ke Huanzhang
	Mr. Xiao Zhiyue