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## JOINT ANNOUNCEMENT

### MAJOR TRANSACTION IN RELATION TO DISPOSAL OF INTERESTS IN PROPERTY HOLDING COMPANIES AND PROPERTY MANAGEMENT COMPANY

### DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF INTERESTS IN PROPERTY MANAGEMENT COMPANY

On 15 December 2022, (i) Sino-Ocean Group, Sino-Ocean Service, the Sellers and the Purchasers entered into the First Master Agreement in respect of the sale and purchase of the First Sale Stakes; (ii) Sino-Ocean Group, Sino-Ocean Service, the PM Seller and the PM Purchaser entered into the Second Master Agreement in respect of the sale and purchase of the Second PM Sale Stake; and (iii) Sino-Ocean Group, the Property Holdco Sellers and the Property Holdco Purchasers entered into the Third Master Agreement in respect of the sale and purchase of the Second Property Holdco Sale Stakes.

As at the date of this joint announcement, each of the Property Holdco is a joint venture of Sino-Ocean Group which is indirectly owned as to 50% by each of Sino-Ocean Group and Swire Properties, while the PM Co is a joint venture of Sino-Ocean Service which is indirectly owned as to 50% by each of Sino-Ocean Service and Swire Properties.

The respective interests of Sino-Ocean Group and Sino-Ocean Service in the Property Holdco and the PM Co will decrease from 50% to 35% upon the First Closing. Upon the Second Closing, Sino-Ocean Service will cease to have any interest in the PM Co, and upon the Third Closing, Sino-Ocean Group will cease to have any interest in the Property Holdco.

#### LISTING RULES IMPLICATIONS

##### **Sino-Ocean Group**

As one or more of the applicable percentage ratios in respect of the Aggregated Transaction is more than 25% but are all less than 75%, the Aggregated Transaction constitutes a major transaction on the part of Sino-Ocean Group and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Sino-Ocean Group Holding Limited

(Incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)

Stock Code : 03377

Sino-Ocean Service Holding Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 06677

To the best of the knowledge, information and belief of the SOGH Directors having made all reasonable enquiries, none of the SOGH Shareholders has any material interest in the Aggregated Transaction and as such, no SOGH Shareholder is required to abstain from voting if Sino-Ocean Group were to convene a general meeting for the approval of the Aggregated Transaction. As at the date of this joint announcement, the Relevant Shareholders, being a closely allied group of SOGH Shareholders (as they have voted in the same manner on all shareholders' resolutions (other than routine resolutions at annual general meetings) in which they were both entitled to vote), together hold an aggregate of 4,506,105,266 SOGH Shares, representing approximately 59.17% of the total issued share capital of Sino-Ocean Group. Sino-Ocean Group has obtained written shareholders' approval from the Relevant Shareholders in respect of the Aggregated Transaction pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting.

A circular containing, among other things, (i) further details on the Aggregated Transaction as contemplated under the Master Agreements; (ii) the valuation report of the Property; and (iii) other information as required under the Listing Rules will be despatched to the SOGH Shareholders for information purposes only. As it is expected that additional time is required to prepare the information to be included in the circular, Sino-Ocean Group will apply to the Stock Exchange for an extension of time for the despatch of the circular by 20 January 2023.

#### **Sino-Ocean Service**

As one or more of the applicable percentage ratios in respect of the PM Disposal is more than 5% but are all less than 25%, the PM Disposal as contemplated under the First Master Agreement and the Second Master Agreement constitutes a discloseable transaction on the part of Sino-Ocean Service and is subject to the reporting and announcement requirements under Chapter 14 of Listing Rules.

## **THE MASTER AGREEMENTS**

On 15 December 2022:

- (i) Sino-Ocean Group, Sino-Ocean Service, the Sellers and the Purchasers entered into the First Master Agreement in respect of the sale and purchase of the First Sale Stakes;
- (ii) Sino-Ocean Group, Sino-Ocean Service, the PM Seller and the PM Purchaser entered into the Second Master Agreement in respect of the sale and purchase of the Second PM Sale Stake; and
- (iii) Sino-Ocean Group, the Property Holdco Sellers and the Property Holdco Purchasers entered into the Third Master Agreement in respect of the sale and purchase of the Second Property Holdco Sale Stakes.

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The principal terms of the Master Agreements are set out below.

### **Subject matter**

Pursuant to the First Master Agreement,

- (i) the Offshore Seller agreed to sell and the Offshore Purchaser agreed to purchase the First Offshore Sale Stake;
- (ii) the Onshore Seller agreed to sell and the Onshore Purchaser agreed to purchase the First Onshore Sale Stake; and
- (iii) the PM Seller agreed to sell and the PM Purchaser agreed to purchase the First PM Sale Stake.

Pursuant to the Second Master Agreement, the PM Seller agreed to sell and the PM Purchaser agreed to purchase the Second PM Sale Stake.

Pursuant to the Third Master Agreement,

- (i) the Offshore Seller agreed to sell and the Offshore Purchaser agreed to purchase the Second Offshore Sale Stake; and
- (ii) the Onshore Seller agreed to sell and the Onshore Purchaser agreed to purchase the Second Onshore Sale Stake.

### **Consideration and payment terms**

The consideration for the First Sale Stakes is as follows:

#### *First Sale Stakes*

(1) First Offshore Sale Stake	RMB779,000,000
(2) First Onshore Sale Stake	RMB195,000,000
(3) First PM Sale Stake	<u>RMB26,000,000</u>
Total	<u><u>RMB1,000,000,000</u></u>

The consideration for the First Sale Stakes shall be payable in cash by the Purchasers at the First Closing.

The consideration for the Second PM Sale Stake is as follows:

<i>Second PM Sale Stake</i>	<u><u>RMB59,000,000</u></u>
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The consideration for the Second PM Sale Stake shall be payable in cash by the PM Purchaser at the Second Closing.

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The consideration for the Second Property Holdco Sale Stakes is as follows:

*Second Property Holdco Sale Stakes*

(1) Second Offshore Sale Stake	RMB3,593,000,000
(2) Second Onshore Sale Stake	<u>RMB898,000,000</u>
Total	<u><u>RMB4,491,000,000</u></u>

The consideration for the Second Offshore Sale Stake and the Second Onshore Sale Stake shall be payable in cash by the Offshore Purchaser and the Onshore Purchaser, respectively, at the Third Closing, subject to deductions, including deductions for the amount of JV Deductions (if any).

**Conditions and closing**

The First Transaction is subject to certain conditions (the **"First Transaction Conditions"**), including:

- (i) the registration of the transfer of the First Onshore Sale Stake and the First PM Sale Stake with the SAMR;
- (ii) any consents required under the financing arrangements of the Onshore Group and the Offshore Group;
- (iii) any approval by the SOGH Shareholders which is required under the Listing Rules; and
- (iv) customary conditions precedent including no breach of any representations and warranties that has not been rectified and no material adverse fact or circumstance occurred with respect to any Target Group.

The First Closing will take place on the first business day after all the First Transaction Conditions have been satisfied or waived (as the case may be). Upon the First Closing, (i) the Property Holdco will each be indirectly owned as to 35% by Sino-Ocean Group and 65% by Swire Properties, respectively, and (ii) the PM Co will be indirectly owned as to 35% by Sino-Ocean Service and 65% by Swire Properties.

If any of the First Transaction Conditions is not satisfied (or waived, as applicable) on or before the First Long Stop Date, any party may terminate the First Master Agreement.

The Second Transaction is subject to certain conditions (the **"Second Transaction Conditions"**), including:

- (i) the obtaining of the Anti-Trust Clearance in respect of the Second Transaction;

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- (ii) the registration of the transfer of the Second PM Sale Stake with the SAMR;
- (iii) any approval by the SOGH Shareholders which is required under the Listing Rules; and
- (iv) customary conditions precedent including no breach of any representations and warranties that has not been rectified and no material adverse fact or circumstance occurred with respect to the PM Group.

The Second Closing shall take place on the first business day after all the Second Transaction Conditions have been satisfied or waived (as the case may be). Upon the Second Closing, Sino-Ocean Service will no longer hold any interests in the PM Co and the PM Co will be indirectly owned as to 100% by Swire Properties.

If any of the Second Transaction Conditions is not satisfied (or waived, as applicable) on or before the Second Long Stop Date, any party may terminate the Second Master Agreement.

The Third Transaction is subject to certain conditions (the “**Third Transaction Conditions**”), including:

- (i) the Second Closing;
- (ii) any consents required under the financing arrangements of the Onshore Group and the Offshore Group;
- (iii) any approval by the SOGH Shareholders which is required under the Listing Rules;
- (iv) the obtaining of the Anti-Trust Clearance in respect of the Third Transaction;
- (v) the repayment of all interest-bearing amounts owed:
  - (a) by any member of the Target Group to any member of the SOGH Group or any JV Company (other than any loans which form part of the Second Property Holdco Sale Stakes); and
  - (b) by any member of the SOGH Group or any JV Company to any member of the Target Group;
- (vi) the registration of the transfer of the Second Onshore Sale Stake with the SAMR; and
- (vii) customary conditions precedent including no breach of any representations and warranties that has not been rectified and no material adverse fact or circumstance occurred with respect to the Offshore Group and the Onshore Group.

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The Third Closing shall take place on the first business day after all the Third Transaction Conditions have been satisfied or waived (as the case may be). Upon the Third Closing, Sino-Ocean Group will no longer hold any interests in each of the Property Holdco and each of the Property Holdco will be indirectly owned as to 100% by Swire Properties.

If any of the Third Transaction Conditions is not satisfied (or waived, as applicable) on or before the Third Long Stop Date, any party may terminate the Third Master Agreement.

Condition (ii) under each of the First Master Agreement and the Third Master Agreement in relation to the consents required under the relevant financing arrangements has been satisfied.

Further, Sino-Ocean Group has obtained the written shareholders' approval from the Relevant Shareholders in respect of the Aggregated Transaction in compliance with the Listing Rules. On this basis, condition (iii) under each of the Master Agreements in relation to the SOGH Shareholders' approval has also been satisfied.

The other Conditions are yet to be satisfied and may be waived in whole or in part by the relevant Purchaser(s) under the relevant Master Agreement.

Pursuant to each of the Master Agreements, in the event that any obligation of any of (i) the Property Holdco Sellers, the PM Seller, Sino-Ocean Service and Sino-Ocean Group under the First Master Agreement; (ii) the PM Seller, Sino-Ocean Service and Sino-Ocean Group under the Second Master Agreement, or (iii) the Property Holdco Sellers and Sino-Ocean Group under the Third Master Agreement, is breached, and the First Closing, the Second Closing or the Third Closing (as the case may be) does not take place, following which the First Sale Stakes, the Second PM Sale Stake or the Second Property Holdco Sale Stakes or any of them are to be purchased by another person at a price exceeding the consideration for the same under the Master Agreements at any time within nine months after the date of the First Master Agreement (with respect to the First Sale Stakes), the Second Master Agreement (with respect to the Second PM Sale Stake) or the Third Master Agreement (with respect to the Second Property Holdco Sale Stakes), the Sellers have agreed to pay a sum equal to such excess to the Purchasers (without limiting the Purchasers' rights and remedies in respect of such breach). Such sum represents the additional amount that the Purchasers would be required to pay for the Sale Stakes (or the relevant part of the Sale Stakes) pursuant to the exercise of their rights of first refusal or, as the case may be, rights of first offer under the respective articles of association of the Target Companies and the related shareholders' agreements and is agreed by the parties to be a genuine and reasonable pre-estimate of the losses which the Purchasers may suffer as a result of such breach.

## **Guarantee**

Sino-Ocean Group has agreed to guarantee the due performance of each Seller's obligations, and Sino-Ocean Service has agreed to guarantee the due performance of the PM Seller's obligations, under the Master Agreements.

## **Dividends**

Prior to the entering into of the Second Master Agreement, the PM Co has declared a dividend and will pay dividends in the amount of RMB30,000,000 to each of its existing shareholders (i.e. the PM Seller and the PM Purchaser) (the "**Dividends Arrangement**").

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## INFORMATION ON THE TARGET COMPANIES

Each of the Property Holdco is a joint venture of Sino-Ocean Group which is principally engaged in investment property development and operation and is indirectly owned as to 50% by Sino-Ocean Group and 50% by Swire Properties as at the date of this joint announcement. The Offshore JV Co (through its wholly-owned subsidiaries) and the Onshore JV Co are collectively the owners of the Property, being a retail-led mixed-use development (primarily consisting of an open-plan, lane-driven mall and a boutique hotel with serviced apartments) known as Sino-Ocean Taikoo Li Chengdu located at Jinjiang District, Chengdu, the PRC jointly developed by Sino-Ocean Group and Swire Properties.

The PM Co is a joint venture of Sino-Ocean Service which is principally engaged in the provision of property management services to the Property and is indirectly owned as to 50% by Sino-Ocean Service and 50% by Swire Properties as at the date of this joint announcement.

Set out below is the audited consolidated financial information of the Offshore Group prepared in accordance with HKFRS, and the audited financial information of the Onshore JV Co and the PM Co prepared in accordance with the PRC Accounting Standards for Business Enterprises for each of the two financial years ended 31 December 2020 and 2021:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2020</b>	<b>2021</b>
	(audited)	(audited)
	HKD'000	HKD'000
<b>Offshore Group</b>		
Net profit before taxation	1,051,269	1,522,058
Net profit after taxation	788,455	1,258,186
	RMB'000	RMB'000
<b>Onshore JV Co</b>		
Net profit before taxation	108,431	114,621
Net profit after taxation	81,268	85,907
<b>PM Co</b>		
Net profit before taxation	83,873	77,416
Net profit after taxation	63,937	57,989

As at 30 September 2022, the unaudited consolidated net asset value of the Offshore Group was approximately HKD4,662 million in accordance with HKFRS, while the unaudited net asset value of the Onshore JV Co and the PM Co was approximately RMB279 million and RMB65 million, respectively in accordance with the PRC Accounting Standards for Business Enterprises.

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## FINANCIAL EFFECT OF THE TRANSACTIONS AND USE OF PROCEEDS

As at the date of this joint announcement, each of the Property Holdco is a joint venture of Sino-Ocean Group which is indirectly owned as to 50% by Sino-Ocean Group and 50% by Swire Properties, while the PM Co is a joint venture of Sino-Ocean Service which is indirectly owned as to 50% by Sino-Ocean Service and 50% by Swire Properties.

### Sino-Ocean Group

In respect of the SOGH Group, upon the First Closing, the interests of the SOGH Group in each of the Target Companies will decrease from 50% to 35%. Further, upon the Second Closing, the SOGH Group will cease to have any interest in the PM Co, and upon the Third Closing, the SOGH Group will cease to have any interest in the Property Holdco.

It is estimated that the SOGH Group will recognise (i) a loss of approximately RMB249 million for the First Transaction, which is calculated with reference to the total consideration for the First Sale Stakes and the SOGH Group's corresponding long-term equity investment in the Target Companies as at 30 September 2022 as adjusted by the Dividends Arrangement; (ii) a gain of approximately RMB57 million for the Second Transaction, which is calculated with reference to the total consideration for the Second PM Sale Stake and the SOGH Group's corresponding long-term equity investment in the PM Co as at 30 September 2022 as adjusted by the Dividends Arrangement; and (iii) a gain of approximately RMB1,579 million for the Third Transaction, which is calculated with reference to the total consideration for the Second Property Holdco Sale Stakes and the SOGH Group's corresponding long-term equity investment in the Property Holdco as at 30 September 2022, resulting in a net gain of approximately RMB1,387 million for the Aggregated Transaction as a whole.

The actual amount of gain or loss to be recorded by the SOGH Group will be subject to the review and final audit by the auditor of Sino-Ocean Group.

The SOGH Group intends to use the sale proceeds from the Aggregated Transaction to repay its existing indebtedness.

### Sino-Ocean Service

In respect of the SOSH Group, upon the First Closing, the interests of the SOSH Group in the PM Co will decrease from 50% to 35%. Further, upon the Second Closing, the SOSH Group will cease to have any interest in the PM Co.

It is estimated that the SOSH Group will recognise (i) a gain of approximately RMB10 million for the disposal of the First PM Sale Stake, which is calculated with reference to the total consideration for the First PM Sale Stake and the SOSH Group's corresponding long-term equity investment in the PM Co as at 30 September 2022 as adjusted by the Dividends Arrangement; and (ii) a gain of approximately RMB23 million for the disposal of the Second PM Sale Stake, which is calculated with reference to the total consideration for the Second PM Sale Stake and the SOSH Group's corresponding long-term equity investment in the PM Co as at 30 September 2022 as adjusted by the Dividends Arrangement, resulting in a net gain of approximately RMB33 million for the PM Disposal as a whole.

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The actual amount of gain or loss to be recorded by the SOSH Group will be subject to the review and final audit by the auditor of Sino-Ocean Service.

The SOSH Group intends to use the sale proceeds from the PM Disposal as its general working capital.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS AND BASIS OF CONSIDERATION**

### **Sino-Ocean Group**

The SOGH Board considers that the Property Holdco Disposal allows the SOGH Group to refine the structure of its assets and represents a valuable opportunity for the SOGH Group to crystallise the value and accelerate the return of its investment towards the development of the Property at a considerable profit. The Property Holdco Disposal will also generate substantial cash inflow to the SOGH Group, thereby replenishing its working capital and will lower the leverage ratio and refine the financial indicators of the SOGH Group.

The consideration for the Property Holdco Sale Stakes was determined after arm's length negotiations between Sino-Ocean Group and Swire Properties with reference to a number of factors including (i) the recent property market conditions in the PRC; (ii) the transaction price of comparable commercial properties located in the PRC; (iii) the valuation of the Property as at 30 June 2022 in the amount of approximately RMB12.3 billion carried out by Cushman & Wakefield Limited, an independent valuer, by adopting (a) the investment method for the retail and office portions of the Property, and (b) the discounted cash flow method for the hotel and serviced apartment portions of the Property; and (iv) the assets and liabilities amount of the Property Holdco.

In particular, having taken into account (i) Sino-Ocean Group's upcoming scheduled repayments of its indebtedness, (ii) the prevalent difficulties for PRC property developers, including Sino-Ocean Group, to obtain external financing in a swift manner with reasonable costs and on acceptable terms under the current volatile market conditions and (iii) the length of time required for satisfying the conditions to closing if the entire Property Holdco Sale Stakes are to be disposed of in one single transaction, the SOGH Board considers that it would be beneficial to Sino-Ocean Group to structure the Property Holdco Disposal as the First Transaction and the Third Transaction, such that Sino-Ocean Group would obtain instant cash flow upon the First Closing (which is expected to take place very soon after the signing of the Master Agreements and well in advance of the Third Closing). In this connection, the SOGH Board also considers that the allocation of the consideration for the First Property Holdco Sale Stakes and the Second Property Holdco Sale Stakes is justified as such allocation reflects the difference in the time value of the respective sale proceeds and the premium which a reasonable buyer would be willing to pay if it were to be able to hold 100% of a private company following the acquisition.

Based on the above, the SOGH Directors are of the view that the terms of the Master Agreements (including, among others, the respective consideration for the First Property Holdco Sale Stakes and the Second Property Holdco Sales Stakes) and the transactions as contemplated thereunder are fair and reasonable and in the interests of Sino-Ocean Group and the SOGH Shareholders as a whole.

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## **Sino-Ocean Service**

The SOSH Board considers that the PM Disposal will allow the SOSH Group to recoup its investment towards the PM Co so as to redeploy its resources to other investments or business of the SOSH Group and allows the SOSH Group to better allocate its resources among other investments and/or business.

The total consideration for the PM Sale Stakes was determined after arm's length negotiations between Sino-Ocean Service and Swire Properties with reference to (i) the preliminary valuation of the PM Sale Stakes as at 30 September 2022 in the amount of approximately RMB83 million carried out by Graval Consulting Limited, an independent valuer, by adopting the price-to-earnings (P/E) multiple under the market approach; and (ii) the net asset value of the PM Co attributable to the SOSH Group.

Based on the above, the SOSH Directors are of the view that the PM Disposal and the transactions as contemplated thereunder are fair and reasonable and in the interests of Sino-Ocean Service and the SOSH Shareholders as a whole.

## **INFORMATION ON SINO-OCEAN GROUP, THE SOGH GROUP, THE OFFSHORE SELLER AND THE ONSHORE SELLER**

Sino-Ocean Group is principally engaged in investment holding. The SOGH Group is a leading large-scale property developer with developments in key economic regions in the PRC, including the Beijing Region, the Bohai Rim Region, the Eastern Region, the Southern Region, the Central Region and the Western Region. The core businesses of the SOGH Group include development of residential property, investment property development and operation, property services and whole-industrial chain construction services, along with synergic businesses in real estate financing, senior living service, logistics real estate and internet data center, etc.

The Offshore Seller is a wholly-owned subsidiary of Sino-Ocean Group, and is principally engaged in investment holding.

The Onshore Seller is a wholly-owned subsidiary of Sino-Ocean Group, and is principally engaged in investment holding.

## **INFORMATION ON SINO-OCEAN SERVICE, THE SOSH GROUP AND THE PM SELLER**

Sino-Ocean Service is principally engaged in investment holding. The SOSH Group is a comprehensive property management service provider with extensive geographic coverage in the PRC. The SOSH Group's property management services cover a wide range of property types, including residential communities, commercial properties (such as shopping malls and office buildings) and public and other properties (such as hospitals, schools, government buildings and public service facilities). The SOSH Group also provides commercial operational services to shopping malls and office buildings, including pre-opening management services and operation management services. In addition to property management and commercial operational services, the SOSH Group provides a variety of community value-added services to property owners and residents of the properties under its management, including community asset value-added services, community living services and property brokerage services, and

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value-added services to non-property owners, including pre-delivery services, consultancy services and property engineering services to property developers and other property management companies.

The PM Seller is a wholly-owned subsidiary of Sino-Ocean Service and a non wholly-owned subsidiary of Sino-Ocean Group. The PM Seller is principally engaged in investment holding.

## **INFORMATION ON SWIRE PROPERTIES AND THE PURCHASERS**

Swire Properties and its subsidiaries are principally engaged in (i) property investment, that is the development, leasing and management of commercial, retail and some residential properties; (ii) property trading, that is the development and construction of properties, principally residential apartments, for sale; and (iii) investment in and operation of hotels.

The Offshore Purchaser is a subsidiary of Swire Properties, and is principally engaged in investment holding.

The Onshore Purchaser is a subsidiary of Swire Properties, and is principally engaged in investment holding.

The PM Purchaser is a subsidiary of Swire Properties, and is principally engaged in investment holding.

To the best of the knowledge, information and belief of the SOGH Directors and the SOSH Directors having made all reasonable enquiries, the Purchasers and their ultimate beneficial owners are third parties independent of Sino-Ocean Group, Sino-Ocean Service and their respective connected persons.

## **LISTING RULES IMPLICATIONS**

### **Sino-Ocean Group**

As one or more of the applicable percentage ratios in respect of the Aggregated Transaction is more than 25% but are all less than 75%, the Aggregated Transaction constitutes a major transaction on the part of Sino-Ocean Group and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the SOGH Directors having made all reasonable enquiries, none of the SOGH Shareholders has any material interest in the Aggregated Transaction and as such, no SOGH Shareholder is required to abstain from voting if Sino-Ocean Group were to convene a general meeting for the approval of the Aggregated Transaction. As at the date of this joint announcement, the Relevant Shareholders, being a closely allied group of SOGH Shareholders (as they have voted in the same manner on all shareholders' resolutions (other than routine resolutions at annual general meetings) in which they were both entitled to vote), together hold an aggregate of 4,506,105,266 SOGH Shares, representing approximately 59.17% of the total issued share capital of Sino-Ocean Group. Sino-Ocean Group has obtained written shareholders' approval from the Relevant Shareholders in respect of the Aggregated Transaction pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting.

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A circular containing, among other things, (i) further details on the Aggregated Transaction as contemplated under the Master Agreements; (ii) the valuation report of the Property; and (iii) other information as required under the Listing Rules will be despatched to the SOGH Shareholders for information purposes only. As it is expected that additional time is required to prepare the information to be included in the circular, Sino-Ocean Group will apply to the Stock Exchange for an extension of time for the despatch of the circular by 20 January 2023.

## **Sino-Ocean Service**

As one or more of the applicable percentage ratios in respect of the PM Disposal is more than 5% but are all less than 25%, the PM Disposal as contemplated under the First Master Agreement and the Second Master Agreement constitutes a discloseable transaction on the part of Sino-Ocean Service and is subject to the reporting and announcement requirements under Chapter 14 of Listing Rules.

## **DEFINITIONS**

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

“Aggregated Transaction”	collectively, the First Transaction, the Second Transaction and the Third Transaction
“Anti-Trust Clearance”	the anti-trust clearance required under the PRC Anti-Monopoly Law in respect of the Second Transaction or the Third Transaction (as the case may be)
“China Life”	China Life Insurance Company Limited (中國人壽保險股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC and listed on the Stock Exchange (Stock Code: 02628) and The Shanghai Stock Exchange (Stock Code: 601628) respectively, being a substantial shareholder of Sino-Ocean Group holding 2,253,459,151 SOGH Shares, representing approximately 29.59% of the total issued share capital of Sino-Ocean Group as at the date of this joint announcement
“Conditions”	collectively, the First Transaction Conditions, the Second Transaction Conditions and the Third Transaction Conditions
“Dajia Insurance”	Dajia Life Insurance Co., Ltd.* (大家人壽保險股份有限公司), a company established under the laws of the PRC, being a substantial shareholder of Sino-Ocean Group holding 2,252,646,115 SOGH Shares, representing approximately 29.58% of the total issued share capital of Sino-Ocean Group as at the date of this joint announcement
“Dividends Arrangement”	has the meaning ascribed thereto under the section headed “The Master Agreements — Dividends” in this joint announcement
“First Closing”	completion of the sales and purchases of the First Sale Stakes pursuant to the First Master Agreement

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“First Long Stop Date”	3 January 2023 (or such later date as may be agreed between the Sellers, the Purchasers, Sino-Ocean Group and Sino-Ocean Service or determined by the Purchasers)
“First Master Agreement”	the master agreement dated 15 December 2022 entered into between Sino-Ocean Group, Sino-Ocean Service, the Sellers and the Purchasers in relation to the First Transaction
“First Offshore Sale Stake”	15% of the issued shares of the Offshore JV Co, together with 30% of the amounts owed by the Offshore JV Co (or any of its subsidiaries) to any member of the SOGH Group as at the First Closing
“First Onshore Sale Stake”	15% equity interest in the Onshore JV Co, together with 30% of the amounts owed by the Onshore JV Co (or any of its subsidiaries) to any member of the SOGH Group as at the First Closing
“First PM Sale Stake”	15% equity interest in the PM Co
“First Property Holdco Sale Stakes”	collectively, the First Offshore Sale Stake and the First Onshore Sale Stake
“First Sale Stakes”	collectively, the First Property Holdco Sale Stakes and the First PM Sale Stake
“First Transaction”	the sales and purchases of the First Sale Stakes as contemplated under the First Master Agreement
“First Transaction Conditions”	has the meaning ascribed thereto under the section headed “The Master Agreements — Conditions and closing” in this joint announcement
“HKD”	Hong Kong Dollar, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“INDIGO Beijing”	Beijing Linlian Real Estate Company Limited* (北京麟聯置業有限公司), a company established under the laws of the PRC with limited liability and indirectly owned as to 50% by each of (i) the SPROPS Group and (ii) a joint venture of the SOGH Group, the principal activities of which are investment property development and operation
“JV Company”	INDIGO Beijing or any joint venture between any member of the SOGH Group and any member of the SPROPS Group (other than any member of the Target Group)

## Sino-Ocean Group Holding Limited

(Incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)

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## Sino-Ocean Service Holding Limited

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Stock Code : 06677

“JV Deduction”	the aggregate of (i) the shareholder loans which any member of the SOGH Group fails to provide to any JV Company when such JV Company has funding requirements but is unable to obtain bank financing on acceptable terms, and (ii) any amount owed by any member of the SOGH Group or any JV Company (as attributable to the SOGH Group) to any member of the Target Group, any member of the SPROPS Group or any JV Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Master Agreements”	collectively, the First Master Agreement, the Second Master Agreement and the Third Master Agreement, and singly, a Master Agreement
“Offshore Group”	the Offshore JV Co and its subsidiaries
“Offshore JV Co”	Great City China Holdings Limited (乾林中國控股有限公司), a company incorporated in the British Virgin Islands with limited liability, which is a 50%-owned joint venture of Sino-Ocean Group and is owned as to 50% by the Offshore Seller and 50% by the Offshore Purchaser as at the date of this joint announcement
“Offshore Purchaser”	Swire Properties (Chengdu) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Swire Properties
“Offshore Sale Stakes”	collectively, the First Offshore Sale Stake and the Second Offshore Sale Stake
“Offshore Seller”	Neo Origin Limited (穎源有限公司), a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of Sino-Ocean Group
“Onshore Group”	the Onshore JV Co and its subsidiaries (if any)
“Onshore JV Co”	Chengdu Yingang Real Estate Company Limited* (成都銀港置業有限公司), a company established under the laws of the PRC with limited liability, which is a 50%-owned joint venture of Sino-Ocean Group and is owned as to 50% by the Onshore Seller and 50% by the Onshore Purchaser as at the date of this joint announcement
“Onshore Purchaser”	Tianjin Linsong City Facilities Development Company Limited* (天津麟松城市建設開發有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of Swire Properties
“Onshore Sale Stakes”	collectively, the First Onshore Sale Stake and the Second Onshore Sale Stake

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“Onshore Seller”	Beijing Yingang Real Estate Development Company Limited* (北京銀港房地產開發有限公司), a company established under the laws of the PRC with limited liability, which is a wholly-owned subsidiary of Sino-Ocean Group
“PM Co”	Chengdu Qianhao Property Services Company Limited* (成都乾豪物業服務有限公司), a company established under the laws of the PRC with limited liability, which is a 50%-owned joint venture of Sino-Ocean Service and is owned as to 50% by the PM Seller and 50% by the PM Purchaser as at the date of this joint announcement
“PM Disposal”	the disposal of the PM Sale Stakes by the PM Seller to the PM Purchaser pursuant to the First Master Agreement and the Second Master Agreement
“PM Group”	the PM Co and its subsidiaries (if any)
“PM Purchaser”	Beijing Great Well Consultancy Company Limited* (北京浩倡諮詢有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Swire Properties
“PM Sale Stakes”	collectively, the First PM Sale Stake and the Second PM Sale Stake
“PM Seller”	Beijing Yichi Property Services Company Limited* (北京億馳物業服務有限公司), a company established under the laws of the PRC with limited liability, which is a wholly-owned subsidiary of Sino-Ocean Service and a non wholly-owned subsidiary of Sino-Ocean Group
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan for the purpose of this joint announcement
“Property”	a retail-led mixed-use development (primarily consisting of an open-plan, lane-driven mall and a boutique hotel with serviced apartments) known as Sino-Ocean Taikoo Li Chengdu located at Jinjiang District, Chengdu, the PRC, which was jointly developed by Sino-Ocean Group and Swire Properties and is owned by the Offshore JV Co (through its wholly-owned subsidiaries) and the Onshore JV Co collectively
“Property Holdco”	collectively, the Offshore JV Co and the Onshore JV Co
“Property Holdco Disposal”	the disposal of the Offshore Sale Stakes and the Onshore Sale Stakes by the Offshore Seller and the Onshore Seller respectively pursuant to the First Master Agreement and the Third Master Agreement
“Property Holdco Purchasers”	collectively, the Offshore Purchaser and the Onshore Purchaser

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“Property Holdco Sale Stakes”	collectively, the First Property Holdco Sale Stakes and the Second Property Holdco Sale Stakes
“Property Holdco Sellers”	collectively, the Offshore Seller and the Onshore Seller
“Purchasers”	collectively, the Offshore Purchaser, the Onshore Purchaser and the PM Purchaser, and singly, a Purchaser
“Relevant Shareholders”	collectively, China Life and Dajia Insurance
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Stakes”	collectively, the Property Holdco Sale Stakes and the PM Sale Stakes
“SAMR”	the State Administration for Market Regulation of the PRC or its local counterpart
“Second Closing”	completion of the sale and purchase of the Second PM Sale Stake pursuant to the Second Master Agreement
“Second Long Stop Date”	31 March 2023 (or such later date as may be agreed between the PM Purchaser, the PM Seller, Sino-Ocean Service and Sino-Ocean Group or determined by the PM Purchaser)
“Second Master Agreement”	the master agreement dated 15 December 2022 entered into between Sino-Ocean Group, Sino-Ocean Service, the PM Seller and the PM Purchaser in relation to the Second Transaction
“Second Offshore Sale Stake”	35% of the issued shares of the Offshore JV Co, together with all of the amounts owed by the Offshore JV Co (or any of its subsidiaries) to any member of the SOGH Group as at the Third Closing
“Second Onshore Sale Stake”	35% equity interest in the Onshore JV Co, together with all of the amounts owed by the Onshore JV Co (or any of its subsidiaries) to any member of the SOGH Group as at the Third Closing
“Second PM Sale Stake”	35% equity interest in the PM Co
“Second Property Holdco Sale Stakes”	collectively, the Second Offshore Sale Stake and the Second Onshore Sale Stake
“Second Transaction”	the sale and purchase of the Second PM Sale Stake as contemplated under the Second Master Agreement

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“Second Transaction Conditions”	has the meaning ascribed thereto under the section headed “The Master Agreements — Conditions and closing” in this joint announcement
“Sellers”	collectively, the Offshore Seller, the Onshore Seller and the PM Seller, and singly, a Seller
“Sino-Ocean Group”	Sino-Ocean Group Holding Limited (遠洋集團控股有限公司), 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)
“Sino-Ocean Service”	Sino-Ocean Service Holding Limited (遠洋服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06677), which is a non wholly-owned subsidiary of Sino-Ocean Group
“SOGH Board”	the board of SOGH Directors
“SOGH Director(s)”	director(s) of Sino-Ocean Group
“SOGH Group”	Sino-Ocean Group and its subsidiaries (including the SOSH Group)
“SOGH Share(s)”	ordinary share(s) of Sino-Ocean Group with no nominal value
“SOGH Shareholder(s)”	shareholder(s) of Sino-Ocean Group
“SOSH Board”	the board of SOSH Directors
“SOSH Director(s)”	director(s) of Sino-Ocean Service
“SOSH Group”	Sino-Ocean Service and its subsidiaries
“SOSH Shareholder(s)”	shareholder(s) of Sino-Ocean Service
“SPROPS Group”	Swire Properties and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Swire Properties”	Swire Properties Limited 太古地產有限公司, 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: 01972)
“Target Companies”	collectively, the Offshore JV Co, the Onshore JV Co and the PM Co
“Target Group”	collectively, the Offshore Group, the Onshore Group and the PM Group

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“Third Closing”	completion of the sales and purchases of the Second Property Holdco Sale Stakes pursuant to the Third Master Agreement
“Third Long Stop Date”	30 April 2023 (or such later date as may be agreed between Sino-Ocean Group, the Property Holdco Sellers and the Property Holdco Purchasers or determined by the Property Holdco Purchasers)
“Third Master Agreement”	the master agreement dated 15 December 2022 entered into between Sino-Ocean Group, the Property Holdco Sellers and the Property Holdco Purchasers in relation to the Third Transaction
“Third Transaction”	the sales and purchases of the Second Property Holdco Sale Stakes as contemplated under the Third Master Agreement
“Third Transaction Conditions”	has the meaning ascribed thereto under the section headed “The Master Agreements — Conditions and closing” in this joint announcement
“%”	per cent

*In this joint announcement, unless the context otherwise requires, the terms “connected person(s)”, “percentage ratio(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.*

By order of the board of directors of  
**Sino-Ocean Group Holding Limited**  
**SUM Pui Ying**  
*Company Secretary*

By order of the board of directors of  
**Sino-Ocean Service Holding Limited**  
**YANG Deyong**  
*Joint Chairman*

Hong Kong, 15 December 2022

*As at the date of this joint announcement, the SOGH Board comprises Mr. LI Ming, Mr. WANG Honghui and Mr. CUI Hongjie as executive directors; Ms. HUANG Xiumei, Mr. ZHAO Peng, Mr. HOU Jun, Mr. CHEN Ziyang and Mr. ZHAN Zhong as non-executive directors; and Mr. HAN Xiaojing, Mr. SUEN Man Tak, Mr. WANG Zhifeng, Mr. JIN Qingjun and Ms. LAM Sin Lai Judy as independent non-executive directors.*

*As at the date of this joint announcement, the SOSH Board comprises Mr. YANG Deyong and Ms. ZHU Geying as executive directors; Mr. CUI Hongjie and Mr. ZHU Xiaoxing as non-executive directors; and Dr. GUO Jie, Mr. HO Chi Kin Sammy and Mr. LEUNG Wai Hung as independent non-executive directors.*

\* *For identification purposes only*

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